Daily Report

Latin America

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FBIS-LAT-90-111 *8 June 1990*

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Cuba

MINREX Confirms Prisoners' Release in Sudan

FL0806014590 Havana Television Service in Spanish 0000 GMT 8 Jun 90

[Text] The Cuban Foreign Ministry [MINREX] has reported that two of the four members of the Cuban civilian health workers group, who were being held by the Oromo Liberation Front, were released today in Khartoum, Sudan. The workers are Pedro Ovidio Ulacia Marin, 36 years old, from Havana City, pediatric resident, and Yolanda Hernandez Boga, 24 years old, also of Havana City, pediatric nurse.

Dr. Esmildo Gutierrez, president of the Cuban Red Cross and vice president of the Cuban Red Cross and Red Crescent Moon Societies, spoke to them over the telephone and he learned that they are both in good health, as are Dr. Humberto Gonzalez Sanchez, 28 years old, native of Santiago de Cuba, surgery resident, and Caridad Benavides Carmona, 35 years old, native of Havana City, instrument nurse, employee of the Primero de Enero Polyclinic of Playa Municipality, who are still in the hands of the Oromo Liberation Front.

Comrades Pedro Ovidio Ulacia Marin and Yolanda Hernandez Boga will be sent to London on Saturday, 9 June. They should arrive in our country on Sunday, 10 June.

A few days ago, the MINREX learned from the permanent representative in Sudan in the United Nations that our compatriots would be released today. The U.S. Interests Section in Havana subsequently informed the MINREX that the U.S. Embassy in Sudan would receive the health workers from the Sudanese Government after Sudan received the Cubans from the Oromo Liberation Front. The Interests Section also reported that British and Spanish diplomats in Khartoum would grant the necessary visas and travel documents so the detainees could travel to London.

On that occasion, the MINREX responded to the U.S. Interests Section in Havana. Once it became aware of the initiative of the U.S. Government, the MINREX notified the families of the medical and paramedical personnel, who have been held captive by the Oromo Liberation Front, that they would be turned over to the U.S. Embassy in Khartoum and later transferred to London. They were also notified that the MINREX asked the Cuban Red Cross to receive the freed Cubans in London on behalf of their family members. It was learned from MINREX sources that for this purpose, Dr. Esmildo Gutierrez himself will depart for London today to receive the Cuban personnel from U.S. diplomatic officials and accompany them on their return to the fatherland.

As our people may recall from the information published last January, this group of six civilian health workers was detained by the Oromo Liberation Front while they were rendering humanitarian services at the Asosa hospital, 27 km from the Sudanese border and 780 km from Addis Abbaba, capitol of Ethiopia. In early April, two of the members of this group, Luis Bello Tamayo and Caridad Fernandez Villaruel, were released and returned to our country.

MINREX sources have also reported that they will continue their efforts with the Governments of Egypt, as president of the OAU, the Republic of Yemen, the State of Palestine, and the International Red Cross to attain the release of the compatriots that are still being detained.

UN Envoy: U.S. Using Satellites for TV Marti

FL0706122790 Havana Tele Rebelde Network in Spanish 1100 GMT 7 Jun 90

[Text] Cuba has accused the U.S. Government of the ostentatious deployment of high technology to usurp a channel of our country's radioelectronic space to send television programs into Cuban territory. Speaking to the UN Commission for the Peaceful Use of Space, Cuban delegate Jose Rabaza recalled that this unacceptable action has been denounced by many governments and international organizations, including the International Telecommunications Union. Rabaza added that this violation of Cuba's national sovereignty with the use of artificial satellites for aggressive ends is against the spirit and letter of international treaties and may have serious consequences for regional peace and security.

Castro Sends Message to OAU on Africa Day

FL2905202090 Havana Radio Reloj Network in Spanish 1933 GMT 29 May 90

[Text] Today the OAU has pointed out a message sent by Cuban President Fidel Castro on the occasion of Africa Day, which was celebrated on 25 May. A note issued to the press by the OAU stresses the Cuban leader's words about the historic and indestructible ties of fraternal activism between Cuba nad Africa. In the message, Fidel Castro reiterated Cuban solidarity with the struggle of the peoples of southern Africa and the OAU for the elimination of apartheid and the creation of a democratic, nonracial society in South Africa, the OAU secretariat said.

Havana Notes U.S.-Soviet Summit Agreements

FL0106183290 Havana Tele Rebelde Network in Spanish 1700 GMT 1 Jun 90

[Text] The USSR and the United States have reached an agreement in principle on a START treaty, which will be signed at another summit at the end of this year or in early 1991. The U.S. Arms Control Association told ABC today that representatives of the USSR and the United States have completed, in principle, the difficult START agreement, which will now be signed.

For its part, CNN [Cable News Network] said that the two nations agreed on a 35-percent global reduction of all long-range missiles. A second aspect of the agreement sets limits on air-launched cruise missiles, ALCMs, that have a range of more than 900 km. According to CNN, the most outstanding aspect of the treaty is that the two countries agreed to reduce the land-based intercontinental ballistic missiles by 50 percent.

It was also reported that Presidents Mikhail Gorbachev and George Bush today signed several disarmament, economic, and cultural agreements.

Our special correspondent, Carlos Iglesias, has more details on the Soviet-U.S. summit.

[Iglesias, live or recorded] Today's conversations, the latest official talks between Mikhail Gorbachev and George Bush during this Soviet-U.S. summit in Washington, will conclude in the next few moments in the White House. The spokesmen for the two delegations, (Arcai Maslennikov) and Marlin Fitzwater, will hold a press conference to discuss the details of the talks.

Gorbachev previously held a half-hour meeting with the leaders of both houses of the U.S Congress. According to the spokesmen, the emphasis yesterday was placed on the issue of Germany. The Soviet and U.S. Presidents agreed that German unification is a historic act. Nevertheless, there is still a great distance between their respective positions in regard to what political direction that country should take. Gorbachev presented what was described as new ideas in this area. The matter is still in the process of being decided and he agreed that the chiefs of the two delegations, Eduard Shevardnadze and James Baker, should work with their experts to try to bring their respective positions closer together. Washington insists that Germany should join NATO, but Moscow objects to such a possibility.

The meeting between Gorbachev and Bush is occupying large portions of the local media's news coverage.

From Washington, Carlos Iglesias for the 1300 newscast.

Economic, Trade Talks Begin With USSR

FL0506222890 Havana Radio Rebelde Network in Spanish 2049 GMT 5 Jun 90

[Text] For the purpose of drafting proposals to perfect and increase economic and trade cooperation between Cuba and the USSR, the joint commission created for this purpose began meeting today in Havana. Foreign Trade Minister Ricardo Cabrisas heads the Cuban delegation while Foreign Economic Minister Konstantin Katushev heads the Soviet delegation.

Jose Raul Viera Consults With Soviet Officials

FL0406212190 Havana Radio Reloj Network in Spanish 1955 GMT 4 Jun 90

[Text] Soviet Deputy Foreign Ministers Viktor Komplektov and Yuliy Kvitsinskiy met today with Cuba's First Vice Foreign Minister Jose Raul Viera, who arrived in Moscow for regular political consultations. In a friendly atmosphere of reciprocal detente, the officials exchanged views on keynote problems of a regional and international nature, including the situation in Central America and Europe. In addition, Jose Raul Viera was briefed in detail on the current aspects of the political, economic, and social changes operating in the USSR.

During the consultations, the officials expressed mutual interest in maintaining the political-operative dialogue, considering the dynamic processes that are taking place in the modern world that require the constructive interaction of all states.

Commentary Views Changes in Catholic Church

FL0706181790 Havana Radio Rebelde Network in Spanish 1155 GMT 7 Jun 90

["Our Opinion" commentary read by Rafael Berastegui]

[Text] A total of 40 cardinals, archbishops, bishops, and general superiors of religious orders and congregations will end today in the Vatican a meeting aimed at preparing the special 1991 synod and enable the Catholic hierarchy to take advantage of the crisis in East Europe. The subject is within the framework of the purpose of the Polish Pope Karol Wojtyla, John Paul II, of updating the so-called social doctrine of the church with the objective of recovering part of the public influence lost by Catholisism because of the impact of evangelical denominations and lay ideas.

When the social doctrine of the church was formulated methodically by Pope Leo XIII in 1891, the church's social doctrine included obvious archaism. The updating once again retouches forms of expression and incorporates some audacious approaches. Thus, for example, today's John Paul II criticized wild capitalism in his (Laborum in Sersen). He said then: The overflow of the economy resulting when free supply and demand mechanisms are discarded proves the need for coordination by the public powers. Nevertheless, the updating of the doctrine clearly operates within the worldly limits of private property and capitalist system.

It is oftentimes stressed that public powers should fill deficiencies and complete the function of private economic forces, never get involved in their affairs, and much less suppress them.

Some researchers define the modern version of the church's social doctrine as an antisocialist political ideology reform which hides with ambiguities its ultimate goals. The remarks made by the pope on 27 May in the Mediterranean Island of Malta during his 48th trip abroad illustrate this point. He said he was concerned

about the future of man. He asked for a new international economic order and, at the same time, said the Western world's consumerism is as harmful as communist regimes. The two of them attempt to choke the spirit.

The updating of the church's social doctrine calls for a higher space at the margin of history and monopolized by the Catholic hierarchy which ultimately rules and explains the social situation and subordinates the world's autonomy to Catholicism's doctrine revelation.

It was surprising that Pope John Paul II saved the harshest attacks to the intolerance of past rulers and the synod's idea in view of the events in East Europe to the statements made in April in the Czechoslovak city of (Belgerat). If it is a matter of lack of understanding and intolerance, the Catholic hierarchy also has had its share. The secular files of the Inquisition are not closed and the sacred congregation for the doctrine of faith still sanctions Latin American liberation theologists and European liberal professors. If it chokes spirits, how can the remarks made by the Czechoslovak Marxist philosopher Milan Machovec be explained? He said: Although I have a lot of sympathy for Christ and his conceptual world, I do not consider myself a Christian, to the contrary, I have reasons for describing myself as Marxist or Marx follower. The main reason is the view of submitting myself to the scientific criticism as Marx taught his followers. Nevertheless, I do not consider criticism as something purely destructive but a radical reconstruction of man's authentic image and his accomplishment in the society of the future. This will not happen without a strictly scientific view. It will not happen through exclusively scientific methods either. Modern science provides man of knowledge but not of a consciousness.

It was precisely in the Czechoslovak city of Marienbad 23 years ago, that a pioneer exchange of views between Marxists and Christians took place in a socialist country, which was rejected and later blocked by the Catholic hierarchy. Machovec, university professor in Prague and key figure in the Marienbad dialogue, said in 1970 in a book entitled "(Jesus fur Atetheisen)" [preceding title in German] "Jesus for Atheists:" It cannot be said that the less Marxist one is the more one will lean toward Christianism. To the contrary, the more Marxist one is and the more one understands thoroughly and deeply the Marxist tasks, the better one can understand the importance of the Jewish-Christian tradition and Christians are welcomed as potential allies and brothers.

The preparations for the 1991 synod should, among other things, at least do justice to these realities.

Consumer Goods' Availability Limited to Provinces

FL0606024690 Havana Radio Rebelde Network in Spanish 2359 GMT 5 Jun 90

[From "Exclusivo" program]

[Text] Rigoberto Fernandez Leon, vice minister of the Domestic Trade Ministry [Mincin] and official Mincin spokesman, has informed the population that because of current economic limitations, better planning and a more rational distribution of our resources has become essential. Because of this, the Mincin vice minister said, it has become necessary to limit the scope of the ration books for basic items [libretas de canastilla] at the provincial level. This means that as of 11 June, these goods can only be obtained in the provinces where the book holders live. The primary goal of this measure is to ensure that each province receives the number of items that corresponds to the number of book holders there, in accordance with the availability of these goods in the country, Fernandez Leon said.

Alternative Energy Sources Assessed

FL0606204590 Havana Radio Reloj Network in Spanish 1933 GMT 6 Jun 90

[Text] In the second day of the meeting to study a special period during peacetime, which will conclude today in Guantanamo, the use of renewable, alternative energy sources was assessed, as well as other initiatives emerging from the people's talent that would favor the economy. Raul Michel Vargas, alternate member of the Politburo of the Communist Party of Cuba [PCC] and first secretary of the PCC in Guantanamo Province, is presiding over the forum. The principal leaders of the government and mass organizations, as well as chiefs of the Revolutionary Armed Forces and the Interior Ministry, are participating in the meeting which began 4 June.

Yesterday, the participants toured mountain areas in the municipalities of El Salvador and Guantanamo where they observed the operations of the sewage treatment plant in the Bombi cattle processing center, as well as the hydroponic center for the production of cattle feed. In [name indistinct], they visited Turquino Plan projects and other installations.

Risquet in Paris, Meets With Communist Leaders

FL2805183090 Havana Tele Rebelde Network in Spanish 1700 GMT 28 May 90

[Text] Jorge Risquet Valdes, member of the Communist Party of Cuba [PCC] Politburo and secretary of the Central Committee, is visiting France at the invitation of the Communist Party in that European country. During his stay in Paris, the Cuban leader will meet with George Marchais, secretary general of that organization, and with other party representatives. In addition, he will participate in various political activities and tour places of political, economic, and social interest.

Our country's delegation is also composed of Raul Valdes Vivo, member of the PCC Central Committee, and other officials from the America Department and the Foreign Ministry.

It was also reported in the French capital that the newspaper L'HUMANITE published today an article entitled "With You Rebel Island" that reiterates the

solidarity of the French communists with Cuba and denounces the repeated Washington provocations made against our country. The text includes a call for an activity of solidarity with the Cuban revolution to be held in Paris next Thursday.

Cuba Joins International Banking Association

FL0606185390 Havana Tele Rebelde Network in Spanish 1700 GMT 6 Jun 90

[Text] Cuba became the 72d country to join the International World Banking Association for Financial Telecommunications after it inaugurated a computer room at the National Bank of Cuba. The new installation makes it possible to access banks from any country every day, 24 hours a day, reduce operational costs, and better manage currency funds by immediately learning the balance of Cuban accounts operated in foreign organizations. The computer room can also prevent fraudulent operations and connects the country with the international accounting automated system.

Meeting Held To Discuss Economic Crimes

FL0506150090 Havana Television Service in Spanish 0000 GMT 5 Jun 90

[By Maribel Puerto]

[Text] Various types of crimes could be listed that are widely repudiated by the public, since they directly hurt human beings. However, there are crimes that are also punishable by law, but, as a society, we are not very active in confronting. We are referring to economic crimes, the main topic of a meeting to exchange experiences about strengthening the state inspection system.

[Begin recording of Attorney General Ramon de la Cruz, identified by caption] The majority of the cases of economic crimes originate in the state economy and engender confusion, speculation, a black market, an underground economy—in short, the seeds of capitalism. [end recording]

It was interesting to hear how, beginning with the restructuring of the Ministry of the Interior [Minint], officers are being trained to handle economic crimes. Colonel (Oscar Games), head of the Minint Technical Investigations Department, said that currently more than 75,000 objectives are being covered.

On repeated occasions, the adjustment of administrations was proposed, as well as how state inspections must also be a means of determining whether an administrator should continue in his post. If the answer is not positive, it is absurd for the administrator to later hold a similar position. The need for the workers to hear the results of the audits and state inspections done in their work places was also repeated. A special presentation was made at the meeting by Juan Escalona Reguera, president of the National Assembly of the People's Government.

[Begin recording of Juan Escalona, identified by caption] No one is responsible for social property. I think, as Mercedes said, that if someone steals our shirt, we go to the police, make a fuss, and we want to kill the person who stole our shirt. But if the organization we head steals a million pesos, we do not care. Or at least, we care, but it does not produce the natural reaction of seeing to it that the problem is solved. [end recording]

Later on, Escalona said that although the revolution does not have political problems with its public, economic crimes are serious. They must be confronted, but by everyone together and with revolutionary ethical principles.

Havana PCC Plenary Meeting Described as Good

FL0606013490 Havana Tele Rebelde Network in Spanish 1700 GMT 3 Jun 90

[Excerpts] Jose Ramon Machado Ventura [member of the Politburo of the Communist Party of Cuba, PCC] has described as very good the special, two-day plenary meeting of the Havana City Province PCC that was held in the capital.

During the meeting, views were expressed on the need for dialogue in an atmosphere of debate, in a responsible manner, and by calmly discussing what we think within the party's own organizations in order to clarify matters and reach concrete agreements that will truly strengthen the party. The PCC meeting in the capital was attended by more than 250 guests from different organizations and sectors. [passage omitted]

Jorge Lezcano, first secretary of the PCC in Havana City Province, stressed that, in his opinion, the party structure should be based on the characteristics of each territory. In regard to the regulations on party membership, he said:

[Begin Lezcano recording] We have to have the necessary understanding and flexibility to guarantee two objectives: that the composition of our party be primarily made up of workers, and to have intellectuals, artists, scientists, service workers, education workers, journalists, etc., also join the party. We must have that kind of flexibility. [end recording]

The first secretary of the PCC in Havana City Province also discussed the important role that artists and the press currently play, and he called attention to how the discussions of the document should take place.

[Begin Lezcano recording] This was clarified as one of the principles—that our meetings analyzing the call for the Fourth PCC Congress become an analysis of the production problems that exist in the work center or an analysis of matters that need to be resolved in the work center by the center's organizations or by other organizations, not just the work center's organizations. To be informed of what is going on in each location, we need to discuss the call for the congress. The people that will

chair these meetings have to be very clear on these aspects. They have to be prepared so that they can be ready when a concrete problem needs to be explained, debated, etc., so that the meeting does not turn into a production assembly. [end recording]

In his remarks closing the plenary meeting, Machado Ventura stated that it is necessary to discuss the document at different levels. He said that there are real difficulties that need to be expressed with objectivity because the country needs approaches and solutions to different problems.

Seminar on FAR 'Social Research' Openned

FL3005140290 Havana Tele Rebelde Network in Spanish 1100 GMT 30 May 90

[Text] The first seminar on social research of the Revolutionary Armed Forces [FAR] continues meeting today at the Maximo Gomez FAR Academy. In his opening remarks, Division General Ulises Rosales del Toro, alternate member of the Communist Party of Cuba Politburo, first vice minister of the FAR and chief of the General Staff, noted the significance of the event and made a call to continue perfecting the research work to solve the problems that still persist in the institution.

In today's session, the participants will discuss topics related to the causes and conditions that favor military crimes, studies on the cultural outlook of the FAR combatants, the massive [word indistinct] in the armed institution, and the aesthetic organization of the construction of the units, among other things.

The seminar will close this afternoon with the presentation of awards to outstanding works and the reading of the commissions' reports.

Spain Grants Credit To Develop Projects

PA2905223790 Havana International Service in Spanish 1400 GMT 26 May 90

[Text] The Spanish Government has approved credits for Cuba and Costa Rica to develop educational and industrial projects. Cuba will receive a $2.2-million loan which it must repay in 20 years at 5.5-percent interest. This amount is the sixth and last stage of an overall credit of $13.5 million granted to finance educational projects. Costa Rica also received a credit, which will be used to expand a refinery.

Uruguay Communist Party Leader Arrives

FL2605012390 Havana Television Service in Spanish 0000 GMT 26 May 90

[Text] Jaime Perez, secretary general of the Communist Party of Uruguay, arrived in our country this afternoon at the invitation of the Communist Party of Cuba [PCC]. Manuel Pineiro, member of the PCC Central Committee and chief of its America Department, and other party officials, welcomed the Uruguayan political leader.

During his one week visit, Jaime Perez will visit places of economic and social interest in this capital and will meet with leaders of the Cuban party and government.

The Communist Party of Uruguay is part of the Broad Front coalition founded in 1971 which represented an unprecedented unity experience for the Latin American left. With only 19 years, the Broad Front is already the third strongest political force in Uruguay and won the mayorship of Montevideo during last November's elections. The Uruguayan capital is the main [words indistinct] economic development and financial center of the country. Almost [words indistinct] percent of the three million inhabitants live there.

The secretary general of the Communist Party of Uruguay believes that the left-wing coalition Broad Front is a real alternative for the 1994 Uruguayan presidential elections. Speaking to our reporter, Jaime Perez conveyed a message of solidarity to the Cuban people in the face of the most recent U.S. attacks on the revolution.

Party Leader Ends Visit

FL3105143090 Havana Tele Rebelde Network in Spanish 1100 GMT 31 May 90

[Text] Jaime Perez, secretary general of the Communist Party of Uruguay, returned to his country last night after paying a brief visit to Cuba at the invitation of our party's leadership. The Uruguayan leader was seen off by Manuel Pineiro, member of the Communist Party of Cuba Central Committee and chief of its America Department, and other party officials. Jaime Perez fulfilled a broad agenda in our country.

Panamanian Businessmen Wish To Continue Ties

FL0506204690 Havana Radio Reloj Network in Spanish 1937 GMT 5 Jun 90

[Text] Ricardo Aleman, president of the Chamber of Commerce, Industries, and Agriculture of Panama, today said that his organization should not oppose firms that want to continue their ties with Cuba. He also gave the press his favorable opinion of maintaining those trade ties and exporting merchandise from the Colon Free Zone to our country.

Businessman George Richard, ex-president of the Association of Panamanian Industrialists, said that any nation has the right to trade with whomever it feels is appropriate. He also rejected the imposition of other people's views on how Panama should manage its trade policy.

According to the ESTRELLA DE PANAMA newspaper, the U.S. Commerce Department is putting pressure on firms in the Colon Free Zone to quit trading with Cuba.

Visiting Argentines Stress Importance of Tourism

FL0506211890 Havana Radio Reloj Network in Spanish 1946 GMT 5 Jun 90

[Text] The importance of tourism activities between Latin American nations to promote mutual acquaintance and develop relations was stressed today in Havana by Cuban and Argentine deputies. The influence of that industry in the economic development of both countries was also evident during the visit made by approximately 60 deputies and senators from the Permanent Interparliamentary Commission for Tourism and Sports of the Argentine Congress to the headquarters of the National Assembly of the Peoples Government.

Cuban deputy Felix Morelo reiterated our country's willingness to receive tourists from everywhere. He said that a policy that closes the door to the world would be playing into the hands of the U.S. blockade.

Argentine Senator Jose Fernando Carizzo heads the delegation comprised of deputies, tour operators, and specialists who participated in the recently concluded tourism convention.

Raul Castro Presides Over Ceremony for FAR

FL0206123190 Havana Tele Rebelde Network in Spanish 1100 GMT 2 Jun 90

[Excerpt] Army General Raul Castro, second secretary of the Communist Party of Cuba [PCC] and minister of the Revolutionary Armed Forces [FAR], has presided over a ceremony paying tribute to the work of the FAR contingent that participated in remodeling the Jose Marti Pioneer City. Also present at the ceremony was Army Corps General Abelardo Colome Ibarra, interior minister, and Roberto Robaina, full and alternate member of the PCC Central Committee and Politburo, respectively, as well as FAR leaders and officers.

Two hundred forty-four members of the contingent, comprised of officers, sergeants, soldiers, and civilian workers, worked on 47 construction projects, the most outstanding of which were the central administration building, a hospital, two sports centers, and a warehouse.

Colonel Rolando Alfonso Borges, acting chief of the Central Political Directorate of the FAR, conveyed warm congratulations to all the workers on behalf of the FAR leaders, the political directorate, and the comrades who were present. [passage omitted]

MININT Combatants Receive Promotions, Awards

FL0606015690 Havana Television Service in Spanish 0000 GMT 6 Jun 90

[Text] On the occasion of the 29th anniversary of the Interior Ministry [MININT], a large group of combatants were decorated and promoted at the headquarters of that organization. The ceremony was attended by Division General Carlos Fernandez Gondin, member of the Central Committee of the Communist Party of Cuba and first vice minister of the MININT, and Colonel (Enrique Collazo Matos), chief of the Political Directorate. Orders were presented for years of service in the MININT and medals were presented to internationalist combatants. The keynote speaker was Lieutenant Colonel Norberto Torres Fuentes.

Dominican Republic

* FRG Donates 4 Million Pesos to Minibusinesses

90CA0052C Santo Domingo LISTIN DIARIO in Spanish 9 May 90 p 1-D

[Text] The Federal Republic of Germany [FRG] will make a donation exceeding 4 million pesos to the Association for Development of Minibusinesses (ADEMI) to finance nearly 300 minibusinesses lacking credit, located in the underprivileged districts of the capital and the interior, according to an announcement made by that institution's president.

Camilo Lluberes Henriquez said that the cooperation agreement had been officially approved by President Joaquin Balaguer and was signed several days ago by Foreign Minister Joaquin Ricardo Garcia and German Ambassador Robert Laub, in an exchange of notes.

The cooperation includes funds for loans equivalent to 800,000 German marks, and an additional sum for technical cooperation, to be used for institutional reinforcement and the purchase of equipment for ADEMI.

Lluberes Henriquez remarked that the project for "promotion of minibusinesses through ADEMI" would be executed with the advice of experts from the German Government's Technical Cooperation Association (GTZ) who will be in the Dominican Republic for a period ranging from 10 to 36 months.

He noted that the purpose of the project is the creation and reinforcement of 2,700 jobs in poor districts of the capital and the interior.

It will also provide advice in the area of commercial policy, particularly with regard to the diversification of financial services, information systems, and the control and improvement of employees responsible for negotiating loans.

According to the agreement, both the GTZ experts and their counterparts in ADEMI will offer advice on the granting of loans for fixed capital. They will also strengthen contacts between ADEMI and other organizations for the promotion of the informal sector in Latin America and other regions of the world.

The cooperation agreement also calls for the training of ADEMI advisers in Germany, and for GTZ technicians to be trained in ADEMI methodology in the Dominican Republic. The former institution will have two advisers available for other Latin American mini- and small industry promotional institutions.

ADEMI is a nonprofit institution specializing in credit for minibusinesses. During the past 7 years it has been considered the most successful support program in Latin America, creating jobs, democratizing credit, reducing usury, and increasing the production of goods and services.

* Exports, Jobs To Increase in 1990

90CA0052B Santo Domingo LISTIN DIARIO in Spanish 28 Mar 90 p 1-D

[Text] If predictions are borne out, this year the country could receive nearly $2 billion in revenue from exports, including the free trade zones.

The director of the Dominican Center for Export Promotion (Cedopex), Katiuska Bobea de Brenes, appeared highly optimistic yesterday that these results, which would represent an extraordinary sum, setting a historical record for the country, will occur.

She noted that exports have undergone "a steady growth during the past 3 years," remarking that the products sold most abroad are the agroindustrial types, "basically, canned goods and ready-to-wear clothing."

Appearing on the program "For Everyone," produced for TV-13 by the journalist Miguel Guerrero, Bobea de Brenes claimed that exports of goods and services, and products from free trade zones, left the country $1.7 billion in 1989.

She said that, during the past 3 years, 400,000 new jobs were created in the country, specifically, in the free trade zones and the tourism and agroindustrial areas, among other branches of industry.

She pointed out that, "The free trade zones alone are producing 135,000 direct jobs."

Bobea de Brenes explained that the items produced in the free trade zones will begin to be sold on the European Economic Community (EEC) market upon the country's formal entry into the Fourth Lome Convention, and its possible acceptance in the Caribbean Common Market (Caricom).

She observed that the investment climate must be maintained so that foreigners interested in opening their businesses in the free trade zones will come to the country without fear that their assets may run the risk of being damaged by any phenomenon alien to the peace "which we are enjoying now."

* First Quarter Fiscal Revenues Reported

90CA0052A Santo Domingo LISTIN DIARIO in Spanish 27 Apr 90 p 1-D

[Text] During this quarter the government's internal fiscal revenue amounted to 1.468 billion pesos, a 12-percent increase over the same period last year.

In January internal revenue totaled 494.6 million pesos; in February it rose to 497.4 million pesos; and in March it declined to 476.7 million pesos.

During that period the revenue from external sources amounted to 58.3 million pesos, so that the total collected was 1.537 billion pesos.

According to a report from the National Budget Office, during March investment spending totaled 39 million pesos in external funds and 225.8 million pesos from the internal area.

The agricultural-livestock, irrigation, and energy sectors were benefited with 67,754,169.55 pesos.

The National Institute of Water Resources (INDRHI) was given 12,687,351.24 pesos for the construction and supervision of the Jiguey-Aguacate dams, and also for building canals, and for repairs and maintenance on other dams.

The Dominican Electricity Corporation (CDE) received appropriations totaling 15 million pesos to meet various commitments.

The Dominican Agrarian Institute (AID) also obtained 4,583,333.00 pesos for carrying out various projects, while the Special Fund for Agricultural-Livestock Development (FEDA) received 15,729,837.12 pesos to strengthen programs assisting peasant settlements and for other relevant purposes. The Cruz de Manzanillo project was given 2,148,490.00 pesos for planting various agricultural crops, and the State Secretariat of Agriculture obtained 17,271,824.86 pesos to promote and increase agricultural production.

The National Institute of Potable Water and Sewerage received 10.4 million pesos for the implementation of various works projects.

Haiti

CEP Says September Elections 'Possible'

FL0706202390 Port-au-Prince Radio Metropole in French 1600 GMT 7 Jun 90

[Passages within slantlines are in Creole]

[Excerpts] The fourth version of the Provisional Electoral Council [CEP] held a news conference at the Government Guest House this morning. The CEP says it is technically possible to hold general elections at the end of September. [passage omitted]

[Reporter Rothschild] [Passage omitted] The Government Guest House will be the next CEP headquarters. Eight of the nine members of the current version of the CEP—for Pierre Gonzales has resigned—announced that elections are to be held before the end of September. CEP President Jean-Robert Sabalat said the elections will be held on a single day—thus, in a single step. Mr. Sabalat also announced that the electoral law will be

submitted to the executive next week, and this law will respect the Constitution of 1987.

Regarding the funds the CEP is planning to collect for elections, these funds will be managed by the Finance Ministry, and not directly by the CEP, announced Sabalat.

Regarding security, they are holding talks with the Haitian Armed Forces high command so that the security of the voters will be respected, will be guaranteed, during the coming elections.

Mr. Sabalat also called on the population to participate in the coming elections, to guarantee the electoral process in Haiti by getting to work and to go to elections.

Regarding the budget for the elections, less than $10 million for elections are planned—on paper. This amount could vary because by deciding to hold all the elections in one shot, some of the $10 million might not be used; $10 million might be too much, stressed CEP President Sabalat.

He also discussed technical assistance and the UN and OAS verification missions planned for the elections. There are OAS envoys currently in Haiti and the CEP consults with these envoys from time to time on the technical level as regards the organization of the coming elections, which are to be held next September.

Mr. Sabalat also said there will be electoral rolls for the coming elections.

Regarding the resignation of Mr. Pierre Gonzales, the executive's representative to the CEP, Sabalat said the CEP has not yet received an official letter from Mr. Gonzales resigning as a member of the CEP, nor has the executive as yet received his letter of resignation. Despite his resignation, which he announced over the radio, Mr. Gonzales continues to help the CEP with legal matters.

We are going to listen to an excerpt of this news conference. More precisely, you will be hearing the voice of CEP President Sabalat.

[Begin Sabalat recording] /I think the elections can be held, that it is technically possible for them to be held, during the last week of September or the first (?week) of October. [pause] I must tell you that this is going to depend to a great extent on the results of the meetings we are going to have with the international organizations, with the money-lenders. However, based on the promises they have made, (?on the desire) they expressed to us to have elections take place within a reasonable length of time, I think that if we tell them we are going to...[rephrases] that we are capable of holding elections in September, we will have all the support necessary to do it./ [passage omitted]

We have decided to hold all the elections on a single day for very practical reasons (?as you will understand). This time we will be receiving massive support. I mean, there will be many foreign observers present in our country. We think this can provide a kind of guarantee for the success of these elections. It would be a good idea to take advantage of the presence of these observers to hold the elections.

I think that, for the first time since 1986, we have what I would call total support from the executive. As you know, that was not (?the case) in 1987 and the CEP back then suffered from this. However, this time I can tell you that as regards the executive, we have total support. As regards the Armed Forces FADH, we have been given, by their chief, the same guarantee of FADH collaboration in the electoral process. /What I mean by a mechanism for us not to have to deal with the money, so as not to have to manage it ourselves, is that we are going to be given the aid. However, every time we need something, as we need it, we will be obtaining it via the Ministry of Finance, understand? This is the same policy that was followed by the 1987 CEP./ [end recording]

[Rothschild] That was an excerpt of the news conference held this morning by the members of the fourth version of the CEP at the Government Guest House, where the CEP headquarters has been since the beginning of this week.

Asked about Article 291 of the Constitution of 1987 concerning the Duvalieristes, Sabalat declared that the Constitution of 1987 will be respected through the electoral law that will be submitted to the executive next week.

Salvadoran President Arrives on Official Visit

PA0806014690 Mexico City NOTIMEX in Spanish 2028 GMT 7 Jun 90

[Text] Mexico City, 7 Jun (NOTIMEX)—Salvadoran President Alfredo Cristiani arrived in Mexico City this afternoon on an official two-day visit during which he will meet with his Mexican counterpart Carlos Salinas de Gortari.

The Salvadoran president was greeted in the presidential hangar of the Benito Juarez International Airport by Mexican Foreign Secretary Fernando Solana Morales. He received all the honors that are bestowed on a chief of state.

During Cristiani's meeting with President Salinas, the two chiefs of state will analyze the possibility of strengthening bilateral relations and broadening cooperation.

Cristiani will also meet with the Mexican foreign secretary and the foreign relations commissions of the Mexican Senate.

The Salvadoran president is accompanied by Foreign Minister Jose Manuel Pacas, Defense Minister Rafael Humberto Larios, Planning Minister Mirna Lievano, Economy Minister Jose Arturo Zablah, and Education Minister Rene Hernandez.

Cristiani arrived at this capital at 1350 aboard the presidential plane of the Mexican Air Force.

Sees Prospects for Peace

PA0806044490 Madrid EFE in Spanish 0306 GMT 8 Jun 90

[Text] Mexico City, 7 Jun (EFE)—Salvadoran President Alfredo Cristiani said today in this capital that peace prospects in his country are encouraging.

He also said that the process of dialogue between his government and the Salvadoran guerrillas has now entered its final stage within the framework of the Geneva agreements. It has entered its final stage with the establishment of an agenda and a timetable and under the sponsorship of UN Secretary General Javier Perez de Cuellar.

Cristiani spoke during a ceremony in the Receptions Hall of the National Palace, the seat of the executive branch in this country. During the ceremony, Mexican President Carlos Salinas de Gortari gave him an official welcome.

The Salvadoran head of state arrived today in Mexico City on an official visit that will end on Saturday, when he will return to San Salvador.

Cristiani expressed the hope that Mexico will continue supporting the peacemaking efforts in El Salvador and help consolidate peace, democracy, economic development, and social progress in that country.

He said that the goal of his visit to Mexico is to further strengthen the relations that have traditionally existed between the two countries.

Salinas de Gortari said that Mexico maintains its strong support for the peacemaking and development efforts of the Salvadoran people and the Central American nations.

The Mexican president added: We especially feel that it is vitally important to ensure the principles of self-determination, nonintervention, and cooperation in development.

He pointed out that Mexico is not sparing in its solidary support for El Salvador in all areas of bilateral relations because, according to Salinas, El Salvador's destiny affects, in part, Mexico's destiny. Finally, Salinas pointed out that El Salvador deserves to have peace.

Later the two presidents talked privately, exchanged decorations and gifts, and attended a state dinner at the Los Pinos presidential residence.

On Friday Cristiani will begin his activities by placing a floral wreath at the monument called Altar to the Fatherland. He will also be declared a distinguished guest of Mexico City and will meet with the foreign relations commissions of the Senate.

He will later visit the El Salvador Primary School, tour the National Museum of Anthropology and History, have lunch with Mexican businessmen, and host a reception at the Salvadoran Embassy.

On Saturday the Salvadoran president will hold a news conference at 1400 and leave for San Salvador two hours later.

Called 'Repressive Government'

PA0806021690 Mexico City NOTIMEX in Spanish 0022 GMT 7 Jun 90

[Text] Cuahuatemoc Cardenas, national coordinator for the Party of the Democratic Revolution (PRD), said during a news conference on 7 June that the visit to Mexico by Salvadoran President Alfredo Cristiani is a visit by "a repressive ruler who oppresses a large sector of his people."

At the same news conference, PRD Senator Porfiiro Munoz Ledo said that, as a sign of protest, his party will not attend the 8 June congressional session, which will be attended by Cristiani. Munoz, who is deputy for the Federal District, said that "Cristiani is the head of a repressive government that is guilty of flagrant human rights violations."

He said that "there is evidence that Cristiani was involved in the murder of the six Jesuit priests" which occurred on 16 November in San Salvador. He also referred to the "illegal" arrest on 31 May of Mexican

professor Maria Eugneia Ochoa Garcia, whom the Salvadoran Government accused of having connections with the Salvadoran guerrillas. She was released on 7 June.

Editorial Considers Bush-Gorbachev Summit

PA0706134990 Mexico City UNOMASUNO in Spanish 2 Jun 90 p 18

[Editorial: "Where Were You When Panama Was Invaded?"]

[Text] Every time there is a Soviet-U.S. summit meeting, the world closely follows it because even gestures are important at such events. The current summit has not yet concluded, but the people can already surmise results that will set the pace for international relations in the near future.

To begin, there is the fact that the two superpowers are taking steps to understand bilateral affairs, as the signing of bilateral cooperation agreements on civil aviation, maritime transportation, and oceanic research make evident. Great accomplishments have come about little by little and the mingling of interests develops mutual trust and promotes dialogue and stable relations.

The essence of the meeting, however, is the situation that currently gives Europe a "new configuration" and sets a path for either developing or deterring detente.

The signing of a formal agreement for the mutual elimination of the two big powers' strategic arsenals, an agreement that has its antecedent in the signing of the agreement for the elimination of the rockets in Europe, could be the most important news for the international community. If, in addition to this, the two big powers were to sign an agreement on eliminating chemical weapons of mass extermination and on effectively limiting nuclear tests, they would be meeting their people's expectations and taking, through deeds, not just words, an important step toward stronger detente and the end of the cold war.

Concerning the reunification of Germany, it looks like no agreement will be reached because the points of view are still too disparate, since the United States clings to the notion that a unified Germany should join NATO, period. Of course, the Soviet Union finds this unacceptable. The Soviet Union would like to see this delicate matter in the framework of an agreed upon security concept in some sort of Pan-European council, which would mean the beginning of the end of military blocs. Apparently the discussion of this matter will be deferred until next week, in Copenhagen, to take into consideration the opinion of all the European states. In any event, securing preliminary agreements in Washington would be healthy.

It is worth recalling that in diplomacy, the line that separates gist from convention is almost invisible. There is the impression that the United States finds it very difficult to bridle its inclination to use pressure and force. Apparently this is the case with regard to the Lithuania matter and the possibility of the United States giving the Soviet Union most favored nation trade status. Gorbachev did well in calmly pointing out that the Soviet Union has been serious in its economic reforms and is not prepared to "humiliate itself" to secure "dubious dispensations." With regard to Lithuania, he asked the U.S. Congressmen only one question: "Where were you when Panama was invaded?" It was enough.

Editorial Praises Gorbachev Speech in U.S.

PA0706123190 Mexico City EXCELSIOR in Spanish 2 Jun 90 p 6a

[Text] In his speech to the U.S. Congress, Mikhail Gorbachev used his best weapons—intelligent arguments and sound reasoning—in a clear demonstration of his ability as a statesman. He brilliantly outlined problems that seemed difficult. Political and diplomatic inconsistencies that separately seemed to make some sense, were exposed due to the Soviet president's strong criticism. However, he could not escape the stigma of being a somewhat weakened politician due to his country's staggering domestic problems.

Gorbachev criticized Washington's rigid stance on the German issue. He warned that the USSR only wants to guarantee stability in Central Europe, and that this stability can only be achieved if there is a balance between East and West. The warning is clear: If the differences persist, they will endanger the "general advance" in relations between the two countries.

The great Russian reformer also stressed the inconsistency in granting China preferential trade status, while denying it to the USSR. He asked, "What should we do? Perhaps introduce presidential control in the Baltic countries and fire a few machine gun bursts." With regard to Lithuania, Gorbachev referred to the invasion of Panama as a counterpoint.

Above all, he stressed a point that is very important to Mexico. He said, "I would like to ask you to respect our sovereignty. It is not up to the U.S. Congress to decide what we should do, or what laws we should adopt." This was a rejection of the possibility of placing U.S.-Soviet relations in a position of "making the best of someone else's bad situation." Let us see how receptive the U.S. Congressmen are.

OAS Not To Mediate in Machain Case

PA0706134690 Mexico City UNOMASUNO in Spanish 30 May 90 p 6

[Report by Patricia Hernandez G.]

[Text] OAS Secretary General Joao Baena Soares has said that the organization he heads will not mediate between the United States and Mexico to settle the case of Mexican physician Humberto Alvarez Machain, who

was kidnapped by DEA agents. "We have recommended, however, that the countries of the continent, in their common warfare against drug trafficking, not intervene in, but respect their neighbor's sovereignty," Baena added. Baena thinks that unilateral measures in antidrug warfare should be avoided at all costs to preserve harmony and understanding on the continent.

Interviewed within the framework of the conference, "Latin America in the World Economy: A Medium-Term Strategy," the diplomat pointed out that if Latin American countries do not combine their economic and political efforts and set aside the integration rhetoric, "we will not survive in the international context," where blocs are now emerging as boosters of the world economy despite dissimilar governments and cultures.

He added: "Once and for all, it is necessary to overcome the dependency by which many countries have been living." We must free ourselves from foreign conditioning and instead impose our own conditions on others.

Referring to the possibility of reinstating Cuba in the OAS, Baena said: "Both the Cuban Government and OAS member countries are willing to effect this. To settle the matter, it is important to listen to the OAS member countries' views."

He also referred to the privatization of Mexican banks. He said: This measure, which does not entail a lessening of the state's responsibility but a lessening of the number of state-run corporations, will create greater internal confidence in the country.

In addition, Ecuan Foure, EEC representative in Mexico, said that in this country there exists a climate of confidence for European capital investment. He added that the probable free trade agreement between Mexico and the United States will broaden commercial relations between the two countries.

Foure said that there are several EEC-Mexican joint investment projects. These accords are included in the commercial agreement that was signed between the EEC and Mexico with Bancomext [National Foreign Trade Bank] and Banamex [National Bank of Mexico] in November.

Foure is participating in a conference on Latin America organized by the ASPEN [not further identified] Institute.

In this connection, Italian Foreign Minister Gianni de Michelis said in a press conference that the Mexican Government is holding private conversations with his government on the probable sale of the state-owned Mexican telephone corporation.

De Michelis, who is also the president of ASPEN, said that private Italian capital will "very soon" be participating in oil refining, the petrochemical industry, steel manufacturing, telecommunications, and railroad transport.

He also said that relations between his country and Mexico, "which had been relatively distant from each other, at least economically, have entered a new stage."

El Salvador

Cristiani Grants News Conference at Airport

PA0706233990 San Salvador Domestic Service in Spanish 1651 GMT 7 Jun 90

[News conference by President Alfredo Cristiani at Ilopango International Airport in San Salvador with unidentified correspondents—live; broadcast in progress]

[Text] [Cristiani] ... the effects of the aid received in the form of oil through the San Jose Pact, cultural support, and cooperation in the field of (?education). There are a whole series of programs to increase the trade between Mexico and El Salvador. Regarding the young Mexican woman who was detained here in May, I understand that the Mexican Government has already made an official statement after learning about this case. If this had not been the case, we would be willing to provide additional information. However, we understand that the Mexican Government is familiar with this case.

[Reporter] Mr. President, we would like you to tell us about the progress of the dialogue. We understand that Dr. De Soto will arrive in the country on Monday and that the next round of talks will be held in mid-June.

[Cristiani] That is correct. Dr. De Soto will arrive on 11 June to prepare for the next meeting which will be held in mid-June. We think the specific date and site for the meeting will be decided on during this visit. There has been no additional significant progress following the Venezuela meeting. We hope the second meeting will be arranged as soon as Dr. De Soto arrives.

[Reporter] Mr. President, will the Salvadoran Foreign Ministry talk with the Mexican Government about the repeated reports by Salvadorans about the abuses against them? They claim that they are abused by some immigration officials, not by the Mexican Government or people.

[Cristiani] I think all of these subjects will be discussed so that we can improve these situations, specifically, the case of Salvadorans who emigrate to the United States through Mexican territory. These cases have been less frequent recently. In the beginning of the eighties, the number of emigrants to the United States was quite large and continued to be so throughout the decade. This is a subject we would try [two-second station in reception] the possibility of preventing our fellow citizens from experiencing any difficulties, providing—and this is normal for all countries—they have all their papers in order. Trouble often arises because emigrants travel to the United States without papers. This of course leads to situations for which other governments can hardly be blamed. I think that those who travel with all their papers in order should not have any problems crossing Mexican territory.

[Reporter] Mr. President, labor leaders, specifically from UNOC [National Union of Christian Workers], have spoken of a historic agreement whereby the possibility of a negotiation between private enterprises and labor sectors regarding labor standards is being explored. What can you tell us about this?

[Cristiani] I think this effort, which was not made in the past, can continue as it has already been initiated. That is, there will be trilateral meetings involving private enterprises, labor sectors, and the government. During the most recent meeting held on 5 June, six subjects—including labor legislation—were earmarked for discussion. The idea is similar to the political parties' effort to reach an understanding and a consensus between the various sectors that, traditionally and for one reason or another, have remained apart from each other without any dialogue. There has been more confrontation than understanding between these sectors. The government is trying to create areas of understanding through direct communication. We hope that the discussion of the six subjects, which include labor legislation, will be fruitful. We also hope that agreements to help the peace process that we are determined to carry out can be reached.

[Reporter] Mr. President, regarding the separation and autonomy of government branches, what do you think about the verdict given in San Miguel yesterday acquitting the soldier who assassinated our colleague Mauricio Jimenez on 19 March?

[Cristiani] I do not know the legal grounds on which the judge based his ruling. I would have to analyze the case and get some legal advice in order to determine if it was legal or not; in other words, if the process was transparent or not, before giving our opinion. We just learned of this through the press today, but we do not have any specific information yet.

[Reporter] Do you think the presence of approximately 30 soldiers—troops, officers, and [word indistinct] soldiers—in court before the jury is correct? Maybe it was not intended to intimidate the members of the jury, but it could have had that effect.

[Cristiani] It could be. However, we would have to see if it was a public trial or not. Anyway, it could have had an effect. In other words, this is a subjective observation. We would have to ask the members of the jury if they felt that way. Certainly in many cases it is difficult to reach a decision that is totally free of foreign factors.

As I said, I do not have all the details on the case, and therefore I do not feel free to give my opinion.

[Reporter] Recent statements by the interpartisan commission, particularly by the electoral commission or subcommission, have noted that the government is using the principle of confidentiality to its own advantage in relation to the other political parties, particularly in the electoral subcommission. What are your comments on this?

[Cristiani] First of all, I do not think that the government is trying in any way to take advantage of the situation.

We must recall that the confidentiality requirement stems from the Geneva Agreement. We believe that confidentiality is an important aspect to advance on the subject. We have not been using any information or anything to our advantage. In fact, the interpartisan commission has not officially informed us about the results of the debates they are conducting on the electoral subject.

I do not see why political parties or anyone should believe that the government is using the principle of confidentiality to its advantage. In my opinion, this is something that was stipulated in the Geneva Agreement, and therefore those of us who took part in the agreement must work within those parameters.

[Reporter] However, the subcommission mentioned an impasse.

[Cristiani] The subcomission said that there is an impasse, that the electoral subcomission has stopped working due to the problems they mentioned in a document. First of all, I have not seen the document, and second, the government has not participated in the debates. Therefore, I do not see how the government could take advantage of the situation. They are working independently at their meetings, and the government is only waiting to learn about the results emerging from those meetings through consensus.

In that regard, I do not see why anyone should accuse the government or believe that the government is using the confidentiality aspect to its advantage. We reached an agreement in the sense that we would all work within the necesssary reserves to [word indistinct] the process. I believe that it would be negative to work without the necessary reserves and if political parties, the government, and the FMLN [Farabundo Martin National Liberation Front] were engaged in an all-out politicized game. That would definitely destroy the process of trying to reach a consensus. There has been no attempt to take advantage of the situation, and furthermore, the government is not participating in the debates.

[Reporter] On more than one occasion the Mexican Government has been linked to arms smuggling to El Salvador. [Words indistinct] Cuba. Will you discuss that subject with the Mexican president?

[Cristiani] Could you repeat that question please?

[Reporter] More than once, the Mexican Government has been linked to arms smuggling to El Salvador. I think that this has been mentioned more than once. The Mexican Government has diplomatic ties with Cuba. I would like to know if you [three-second break in reception].

[Cristiani] I would like to make clear that at no time has the Salvadoran Government implicated the Mexican Government in arms smuggling. There have been reports in that sense, but the Salvadoran Government has no basis to implicate Mexico, and in fact has not done so. Cuba is a different story. We will bring up the subject, because we believe that Cuba's attitude toward the peace process is fundamental and the diplomatic relations between Mexico and Cuba can be a communications channel through which Cuba can support the peace process and not war.

[Reporter] My question concerns your government's economic program. Would you be willing to negotiate the plan with the FMLN?

[Cristiani] I do not think this would be an issue. The FMLN has specified quite clearly that each political party is free to draw up its own economic program in a democracy. It has also said that when the people elect a party or a candidate they are well aware of the economic program that will be implemented. We completely agree with this position. The Salvadoran people know the economic platform of each candidate before they go to the polls and decide for whom to vote.

Obviously, this gives the winning candidate not only the power but a mandate, to a certain extent, to implement what he said during the campaign. Otherwise, he would have made false statements and lied to the people during the campaign. The FMLN has understood this, and I do not think there is any need to negotiate the economic program.

[Reporter] Mr. President, concerning the case of the Jesuits, you have repeatedly expressed confidence in the courts and said that we must wait for justice to complete the investigation and issue a ruling at the proper time. Aside from this case, the FMLN has demanded solutions to three other cases. These are the cases of Fenastras [Salvadoran Workers National Union Federation], Monsignor [Oscar Arnulfo] Romero, and Hector Oqueli Colindres [Revolutionary Democratic Front leader]. The FMLN has described these as exemplary cases in a new stage in our country's life.

I will not ask you about the Jesuits' case because you have answered questions about that case repeatedly. However, I would like to know if it would be possible, or if your government is planning, to take steps to solve those three other cases as test cases.

[Cristiani] I think it is an obligation to investigate all cases, and not just a few, to the extent possible. I think that we need to strengthen our country's professional investigative methods of fulfilling this need, which exists in every democratic system. I think that some of those cases have already been opened to some extent. Some difficulties have arisen in other cases. This was the case with Fenastras, because Fenastras itself did not allow an investigation to be opened for 21 days. This makes it difficult to carry out investigations. By way of comparison, let us take the case of the Jesuits. In this case we were able to obtain some fresh evidence and get some results because of that.

In Oqueli's case, the Salvadoran Government has repeatedly asked the Guatemalan Government for information. However, our government has still not received any data or report from the Guatemalan Government so that we can do something about the case. Therefore, I can tell you that, in my opinion, the day will have to come when we will have the professional investigative capability to solve all criminal cases in our country and justly punish those who violate the laws.

Therefore, it would not be a problem for us to investigate any cases mentioned by the FMLN or any other person, provided the case really involves a crime.

[Reporter] [Words indistinct] the case of Msgr. Romero, since it occurred at a time when the level of professionalism or the conditions did not exist to carry out a judicial investigation. Can it no longer be solved?

[Cristiani] Obviously, it is very difficult to say that we are going to open an investigation today on a case that occurred 10 years ago. I repeat: In the Fenastras case, the door was closed to the Commission to Investigate Criminal Actions for 21 days, and the Commission was thus prevented from analyzing and finding evidence at the scene of the crime. It is already difficult to say that we can solve the case now. It would be even more difficult to solve a case that occurred 10 years ago if, at the time, no in-depth investigation was opened or carried out to allow us to continue with the case. However, I think that the case of Msgr. Romero has remained open. It has not been closed, and we can move on with it. However, it will be very difficult for the Commission to Investigate Criminal Actions to dig up new evidence because it is obviously quite late to do so.

I believe we have to investigate all crimes and capture whoever breaks the law.

[Reporter] Mr. President, going back to the economic subject. You have said that the FMLN has admitted that there is an economic plan. This would mean that economic negotiations are important, so private enterprises and the workers may suggest ways to improve the economic plan. The archbishop of San Salvador strongly criticized the government's economic plans last Sunday. What is your opinion on this subject?

[Cristiani] The search for an understanding between private enterprise, the labor sector, and the government is not a result of talks with the FMLN. This is a government initiative. We believe that all sectors must search for more elements [five-second break in reception] so that the various sectors may overcome the effects of the Salvadoran crisis in a more equitable way. The Salvadoran crisis was not created or imposed by the current Salvadoran Government. It was there already when the current government was installed.

The economic plan itself is not the subject of negotiations in this search for understanding. We are looking for ways to coexist as [word indistinct] and get out of the crisis. This is the objective of our efforts. I repeat: This is not part of the dialogue we are holding with the FMLN. This is a result of a government initiative.

Army Hands Over University of El Salvador

PA0806013690 San Salvador Canal Doce Television in Spanish 0300 GMT 6 Jun 90

[Passages within quotation marks recorded]

[Text] Education Minister Rene Hernandez Valiente officially handed over the University of El Salvador campus to Rector Luis Argueta Antillon this afternoon. Colonel Francisco Elena Fuentes, commander of the First Infantry Brigade, was present at the event. The campus was occupied by the Salvadoran Army on 11 November—the day on which the FMLN [Farabundo Marti National Liberation Front] launched its strongest offensive in 10 years of the war—and it remained under military control for six months.

[Hernandez] "It is with a sincere spirit that we hand over the campus today. We trust that the university authorities will know how to take care of the future generations. That is the duty of every teacher."

In the presence of the education minister, the president of the Court of Accounts, the commander of the First Infantry Brigade, and University of El Salvador authorities, the campus was formally released today. The campus was officially handed over to Rector Luis Argueta Antillon who said that the University of El Salvador is a peace zone. Col. Elena Fuentes praised Rector Argueta's words.

[Elena] "They are beautiful words and, like the president of the Court of Accounts said, I hope they will be heard. I hope that the campus will never be used for anything other than education."

Col. Francisco Elena Fuentes stressed these words and said that when the campus was occupied some searches were carried out and weapons and rebels were found. They were using the campus to fight the Army.

[Elena] "We found terrorists on campus. There was some fighting and some of the terrorists died. We found weapons and other things that are used to damage vehicles during demonstrations. All this was shown to the press.

[Unidentified reporter] "Rector Argueta Antillon, Col. Elena Fuentes said that the soldiers found weapons on the campus. Was the university aware of this?"

[Argueta] "We have already explained what happened. It was the result of the war and the offensive. The offensive affected the entire city. What happened on this campus was no different from what happened in other areas of the city. There were dead people and weapons all over the city."

However, the Army occupation and the FMLN offensive is now part of the past. Everyone has agreed that today everything is returning to normal.

[Unidentified reporter] "How do you view handing over the university?"

[Unidentified speaker] "We see the campus activities returning to normal. These activities have been held off campus amid great difficulties."

The normalization began with a handshake between Col. Elena Fuentes and Luis Argueta Antillon. The rector said that classes will resume on Monday. The rest of the week will be used to repair the installations.

Commander Terms Terrorist Action 'Suicide'

PA0506163090 San Salvador EL DIARIO DE HOY in Spanish 30 May 90 p 3

[Text] General Rafael Villamariona, commander of the Salvadoran Air Force [FAS], has said that the new offensive with which the FMLN-FDR [Farabundo Marti National Liberation Front-Revolutionary Democratic Front] has been threatening the civilian population would be a useless bloodbath, as well as military and political suicide for the terrorists.

The general was referring to reports carried by international agency correspondents in which a Commander "Jonas," identified as Jorge Melendez, "second in importance within the ERP [People's Revolutionary Army]," said in Perquin that the FMLN-FDR is willing to launch "a new military offensive that would be more powerful than the one launched in November 1989 if the top leadership of the Salvadoran Army obstructs the negotiation process and adopts inflexible stands."

The FAS commander added that the terrorists do not have the slightest chance of succeeding in this new adventure—that seems to have all the characteristics of a dramatic "bluff," which they plan to use to intimidate the government and give the impression that they are strong—which is not the case, because they are no longer receiving supplies from Nicaragua, they lack popular support, and their rank and file was weakened during the November 1989 offensive.

The general added that the very political leaders who are allied with the FMLN-FDR have said that the "popular insurrection" was only a dream and that if it was not successful in November 1989, it would certainly not be successful now when the Marxist-Leninist ideological base has collapsed worldwide.

Villamariona pointed out that although it is true that the subversives have weapons and some of its followers are capable of carrying out terrorist acts such as machine-gunning civilians, harassing military targets, dynamiting utility poles, kidnapping, detonating mines, and other spectacular acts of terror against defenseless civilians, they are incapable of holding positions for long periods of time before the Army dislodges them.

He said that the political cost of a new bloodbath at this moment, when the government of President Cristiani is showing its goodwill within the peace-seeking efforts, would undermine the maneuvers of disinformation fronts abroad.

Currently, the general added, FMLN-FDR leaders are making desperate efforts to pick up the deteriorated morale of the terrorists who are asking themselves whether it was worth risking their lives on the mountain while leftist politicians are telling them from their luxury hotels abroad that "everything was a dream and that they must wake up to face reality."

Villamariona pointed out that, according to documents in the hands of the Armed Forces, there is a marked internal division among terrorist groups affiliated with the FMLN-FDR. Some are tired of their leaders' promises, disillusioned over the evident lack of popular support, demoralized by the continuous defeats at the hands of the Army, which has inflicted innumerable casualties on them, and are advocating dialogue. Meanwhile, others are trying to maintain the overconfident image that they need for the transition between terrorist activities in the mountains and the most complex political maneuver within the democratic scheme, for which they are unprepared. The latter are irrationally clinging to their rifles.

In commenting on charges leveled by terrorist leaders in a recent interview with news agency correspondents, he said that "the Armed Forces, as part of the legally established government and the Salvadoran people from which their soldiers come, does not oppose any legitimate movement that seeks to bring peace to the country within a democratic scheme. [No closing quotation mark as published] Quite the contrary, the general underscored, "the presence of an Armed Forces delegate in the dialogue commission shows the Army's determination to contribute toward achieving peace."

As for a purge of the Armed Forces demanded by the terrorists and their leftist political allies, the FAS commander pointed out that within its structure, the Army has self-purging procedures that are permanently at work against those who are acting outside the framework of the law.

The FAS commander said that there is talk of thousands of dead every time the communists want to exploit figures without taking into account, first, that no one has counted them; and if that were true, they—the dead—are the result of the terror generated by the FMLN.

As for the trials that the FMLN-FDR claims to support to clarify some deaths, Gen. Villamariona said that although President Cristiani has clearly stated the position of the government and Armed Forces of carrying out investigations at all costs, it is necessary to point out that the terrorists lack the moral authority to demand justice.

The general said that "every time divisions flare within the FMLN-FDR leadership, new 'commanders' emerge making statements without the consent of their leaders and going overboard, as is happening today with 'Commander Jonas,' who is making his own analysis of the situation, while top leaders are meeting in Caracas with leftist politicians."

"The Salvadoran people know the difference between the armed institution that protects them and the terrorists who attack them," the general concluded.

Archbishop Criticizes Government's Solutions

PA0606022890 San Salvador La Voz Panamericana in Spanish 1400 GMT 3 Jun 90

[Homily by San Salvador Archbishop Msgr. Arturo Rivera y Damas at the Sacred Heart of Jesus Church in San Salvador—live]

[Excerpt] [passage omitted] The week devoted to the environment will also be the first week in the second year of President Alfredo Cristiani's government. This should encourage all those responsible for furthering the common good to keep in sight the country we all want to construct.

This is perhaps one of the current administration's greatest weaknesses. It has failed to openly recognize that the majority of the Salvadoran people live in misery. The administration does not seem (?to be fully aware) of the problems and, for this reason, proposes half solutions. The presidential address read on Friday was immersed in a sea of criticism that should lead the people to oppose all of the valid elements that such criticism involves, beyond the possibly harsh language used in the criticism.

As a pastor, I think there is too much euphoria over the unexpected events in Europe, which many people regard as a triumph of the liberal ideology over the Marxist ideology. The holy father also presented this point this way when he addressed Central American businessmen from Mexico City during his recent visit. John Paul II said that certain interests wanted to take this examination to the extreme and to present the system they regard as the winner as the only way out for our world, based on the drawbacks that true socialism has sustained [words indistinct] necessary critical point over the effects that liberal capitalism has produced, at least up until now, in the so-called Third World countries.

In the same speech, Christ's Vicar pointed out that the Church's social doctrine, taking into account the (?just) autonomy of economic science, passes judgment on the effects of its historical application when a person's dignity is somehow violated or endangered. But the Church must not stop at criticism. Through its experts, John Paul II asserted, the Church should continue to search for valid, true solutions that can orient human processes toward the fulfillment of the faithful purposes revealed by the word.

What should be done so 1991 can become the year of peace? Because of all that we have said so far, something in the economic plan must be corrected so the worst consequences are not always suffered by the weakest. Something should also be corrected in the field of justice, once again mocked in the past few days through the alleged disappearance of evidence in the crime perpetrated against the six Jesuit priests. If this is true, we have here the application of the same principle that led to the elimination of two innocent women so as to do away with all witnesses.

Something must also be corrected in the field of human rights so events such as those that happened a few days ago will cease. The Legal Aid Office confirmed the constant harassment of cooperative leaders. The wife of one of them, Miriam Margarita Guillen de Cordoba, who is also a leader of the Permanent Committee for National Debate, was detained three days ago.

There also persists the old habit of subjecting prisoners to various types of pressure, including physical, to force them to sign blank papers or make statements that seldom correspond to the truth. In this context, it is not surprising that we have reached the conclusion that a raid of a church office near the San Jose de la Montana seminary yesterday was also conducted by military members or people in connivance with them. Let us see where the investigation leads.

At the onset of a new year of government, we all must make a commitment to a renewed effort toward justice and peace. Only in this way can 1991 be the year of peace, because, as the holy father said succinctly in the previously mentioned speech, misery leads to slavery. Misery itself is a lack of freedom. Progressive impoverishment jeopardizes mankind's dignity and stability. For this reason, the attainment of freedom and dignity in Latin America requires waging a unique battle beginning now, not with arms, but through the ingenuity and work of the people.

Applying the reality of the holy father's teachings to the Salvadoran reality, we can assert that 1991 will be the year of peace—what we desire so very much—only if 1991 is the year of justice, the year of respect for man's dignity, the year of the end of impunity. Let us place this purpose before the altar during the great festivity of Pentecost, because only the Holy Spirit, by deeply transforming the heart, can renew the face of our homeland El Salvador. Amen.

Coffee Council Announces Boycott 'Countered'

PA0606162890 San Salvador DIARIO EL MUNDO in Spanish 1 Jun 90 p 6

[Text] In an official notice, Ruben Pineda, executive director of the Salvadoran Coffee Council, has announced that the attempt to boycott Salvadoran coffee exported to the United States promoted by followers of leftist groups to cause more harm to the country has been countered.

A delegation comprised of Economy Vice Minister Mario E. Acosta; Ruben Pineda, director of the Salvadoran Coffee Council; and Mario Monroy of the cooperative of coffee growers visited the U.S. State Department and met with congressmen who stated that they did not agree with this new aggression by leftist groups who want to wage an economic war against the country, the official added.

He said that the large coffee importing companies are firmly supporting El Salvador so that the harmful publicity by the U.S. media will not continue, adds the SISAL [Salvadoran Information Service] notice.

Those groups were hoping to create an impact and damage our country, but it did not work, as coffee exports continue to be sent. If they were to achieve their goals, the most affected persons would be the peasants who pick coffee, who work in the coffee mills, those who work in transportation, and so forth, because 64 percent of the production of one quintal of coffee comes from manual labor, the official added.

Another action that was taken to halt the boycott was to visit the stevedores of the U.S. West Coast, who are supporting the attempts to boycott our coffee. The stevedores are our main problem, as they have not been duly informed of the true Salvadoran situation, Mr. Pineda concluded.

Nicaragua

USSR Rejects FSLN Diplomatic Effort

PA0706213890 Managua Radio Catolica in Spanish 1130 GMT 7 Jun 90

[Text] Soviet delegates yesterday expressed to former Nicaraguan President Daniel Ortega their concern over the most recent events in Nicaragua, where it is said that the Sandinists are unwilling to cooperate.

The Soviet delegates also met with members of the Nicaraguan Government to report to them on the Gorbachev-Bush summit, where the case of Central America was discussed with much expectation and satisfaction. As has been reported, the Soviet Union turned down an FSLN proposal to install a parallel diplomatic office in Moscow.

Chamorro Army Reduction Plans Due 10 June

PA0706214990 Managua Radio Catolica in Spanish 1130 GMT 7 Jun 90

[Text] President Violeta Barrios de Chamorro will announce on Sunday plans to shrink the Army, which will nevertheless keep its attack capability intact to protect the country and maintain a military balance in the region, a high-level Armed Forces official has reported.

We want to reduce the Army to a size comparable to that of other Central American armies, the officer, who asked not to be identified, told UPI. The officer, who worked for the Defense Ministry during Daniel Ortega's government, said that the reduction, significant although gradual, will take place whether the contras disarm or not. The source added that the reduction will involve all levels: officers, enlisted, and civilians in the administrative sections. The Army, which now has 55,000 men, can be reduced to between 30,000 and 40,000 men, he added.

President Barrios has not yet announced the specific plans for this reduction. She has said only that the Sandinist Army will be reorganized to make it less party-oriented. Obligatory military service will be eliminated and education will be available for the young recruits, he said.

President Barrios announced the Army reduction after her 25 February electoral victory, and General Humberto Ortega has continued in the post of Armed Forces commander in chief.

We will not shrink the Army overnight, the source said, adding: We cannot fire thousands of soldiers because such an action would be very bad for them and the country's economy. The source added that the Army must remain strong after the reduction and keep a defensive capability similar to that of any army in the case of an invasion.

Humberto Ortega has said that a number of soldiers deserted the Army after the Sandinists lost the elections. The source pointed out that there will be no reprisals against the contras after 10 June, the deadline for disarmament.

Humberto Ortega's Input

PA0706202990 Panama City ACAN in Spanish 1903 GMT 7 Jun 90

[Text] Managua, 7 Jun (ACAN-EFE)—The Sandinist People's Army (EPS) General Command announced that EPS Commander General Humberto Ortega today gave to President Violeta Chamorro a plan to reduce the size and structure of the Armed Forces.

This plan had been requested by Chamorro on 25 April when she assumed the Presidency of the Republic and confirmed Humberto Ortega, brother of former President Daniel Ortega, as Armed Forces commander.

Today's communique does not specify of what the plan consists, but political sources have said that it will be revealed to the country by Chamorro on 10 June, deadline for the definitive demobilization of the "contras."

COSEP Backs Chamorro, Condemns FSLN Moves

PA0706032690 Managua LA PRENSA in Spanish 2 Jun 90 p 2

[Article by Julio Cesar Armas]

[Text] The Higher Council of Private Enterprise (COSEP) has charged before the Nicaraguan people that the Sandinist National Liberation Front [FSLN] armed party is creating a climate of political, social, and economic insecurity.

The COSEP issued an official communique denouncing the FSLN's destabilizing actions, carried out through its transmission media and political branches, such as the Jose Benito Escobar Sandinist Central Organization of Workers (CST), the Farm Workers Association (ATC), and the National Union of Farmers and Cattlemen (UNAG), which together with other organizations are engaged in a well-coordinated campaign to block the government of national salvation headed by Violeta Barrios de Chamorro and Dr. Virgilio Godoy Reyes.

These actions, the COSEP claims, directly affect the Nicaraguan people by not allowing them to improve their living standards and by discouraging foreign aid and investment.

"The Sandinists are not satisfied with having caused 10 years of misgovernment, destruction, war, death, and domestic unrest. Even after they were defeated in the 25 February elections this year, they still persisted in taking the new Nicaraguan Government and people along paths that make it impossible to achieve, through concerted efforts, the peace and development of all Nicaraguans," the communique stated.

The private sector communique concludes by offering all of its support to the government of President Chamorro, Dr. Virgilio Godoy, Legislative Assembly representatives, government authorities, and mayors, urging them to support the implementation of the government platform, which was offered to the people and which the people accepted with their votes, "to bring about a change that will make us worthy sons of God and of Nicaragua."

During a reception hosted by COSEP for the members of this organization, who are cooperating with Chamorro's government, Jaime Bengoechea, an engineer, recalled the years of struggle by efficient technocrats in the face of a centralizing government that "wanted to take us to our extinction."

"The private sector is very proud of you," he added, "proud that select members of our organization are filling prominent posts in this new government."

The speaker said: "We definitely believe we have contributed so that the plans of the National Opposition Union (UNO) to establish a social market economy in our beloved Nicaragua for the good of all can become a reality."

Bengoechea called on those present to firmly maintain their goals "because we are concerned that so many people coming from abroad with financial resources have not decided to invest, because they cannot see a clear horizon."

He added: "We and the Sandinist Party, which tried to hinder the government, must be clear on this: To the same extent that we are successfully productive, so will that outdated party succumb quickly in the face of history."

Panama

Ford on Economic Growth, Future Programs

PA0606165390 Panama City ACAN in Spanish 1548 GMT 4 Jun 90

[Text] Panama City, 5 Jun (ACAN-EFE)—Vice President Guillermo Ford said today that the Panamanian economy grew between 1.7 and two percent during the first quarter of 1990. Ford expressed hope that in two years the country would reach the economic levels it had in 1987.

"If there is social peace, in two years we could be where we were in 1987, when the crisis started," Ford said. In statements to the foreign press in Panama, Ford, who is also the planning and finance minister, said that "the economy is slowly recovering."

The minister announced the government's decision to release, before the end of the month, the time deposits that have been frozen since March 1988, when the United States adopted economic sanctions against Manuel Antonio Noriega's regime.

Ford dismissed the idea that this measure could cause a "collapse of the banking system," but also indicated that part of the U.S. aid recently granted to Panama will be used to create a "security net," which will provide greater liquidity to the banks when the accounts are released.

In addition, Ford said that the Panamanian Government "has not planned to call for compensation from the U.S. administration" for damages done to the economy as a result of the sanctions and the 20 December military invasion. "It has not been ruled out, but the issue also has not been raised," Ford said, adding that "President Guillermo Endara would have to make that decision."

The National Council of Private Enterprise recently asked the government to demand compensation for businessmen whose stores were looted during the invasion.

Ford announced that an economic program would be presented soon to reactivate the nation's economy "replacing a paternalistic producer state with private initiative and a market economy."

The minister also said that the programs' most oustanding feature is the privatization of state companies, although he specified that the government has no intention of selling the power and telephone companies, the Savings Bank, or the company that operates the ports.

Ford said that "the program was developed by Panamanians, without foreign impositions." He was referring to alleged pressure by international financial institutions such as the World Bank, the IMF, and the Inter-American Development Bank.

According to Ford, the Panamanian Government paid its financial obligations for the first time in three years for the first quarter of 1990, namely, the interests overdue on a foreign debt that is more than $5 billion. An IMF mission will arrive on 11 June.

"There will be no reduction in the number of public employees, but rather a streamlining of payroll costs" by signing new contracts at lower wages, Ford added, responding to criticism by public sector labor unions which claimed that more than 12,000 government employees have been fired.

Ford said he did not know what the unemployment rate was, but according to some estimates, it could be higher than 30 percent of the work force. He added however: "There has been a reduction in the number of unemployed" with the reactivation of businesses.

The planning and finance minister stated his desire to negotiate "with all the social sectors" about his government's programs, which will be published shortly. He disclosed that the labor code would not be eliminated, but that it would be "modified to permit an economic take-off without harming the working sector."

Argentina

Foreign Minister on Bush Visit, Other Contacts

PY0606152990 Buenos Aires TELAM in Spanish 2342 GMT 6 Jun 90

[Text] Buenos Aires, 5 Jun (TELAM)—Argentine Foreign Minister Domingo Cavallo today confirmed that U.S. President George Bush will make a 24-hour official visit to Argentina on 19 September. He also announced that on 20 June the 11 Latin American Integration Association [ALADI] countries members will sign in Montevideo a regional protocol on reducing custom duties in reciprocal trade.

Cavallo made this statement at a news conference held at the San Martin Palace this afternoon. He also assessed the tour he and President Menem recently made to Kenya, Malaysia, and Paraguay, where they attended the OAS Assembly. Concerning U.S. President Bush's visit to Argentina, Cavallo said that during a meeting in Asuncion President Menem, U.S. Trade Representative Carla Hills, and Deputy Secretary of State Lawrence Eagleburger established 19 September as the date for Bush's arrival in Buenos Aires.

Cavallo said that Bush will stay in this capital some 24 hours because his visit to Argentina is part of a one-week tour of several Latin American countries.

Cavallo added that during the meeting with the U.S. officials attending the OAS Assembly there was no discussion of the issues to be taken up or the agreements to be signed during President Bush's visit to Argentina. Cavallo announced, however, that a U.S. delegation will soon come to Argentina to talk about guarantees for a U.S. investment program.

Asked about the ALADI's situation, Cavallo said that during the meeting held in Asuncion by representatives of the ALADI member countries, Mexico announced its willingness to continue participating in the forum. He also said that Mexico reconsidered the position it adopted at the previous ALADI meeting in which it decided not to sign the regional protocol on reducing customs duties.

Consequently, it was decided that on 20 June all ALADI countries members will sign in Montevideo, Uruguay, the protocol on reducing customs duties in reciprocal trade. The protocol will improve possibilities for the regional exchange.

Asked about a possible meeting between Menem and Mikhail Gorbachev in Italy, Cavallo said: "There have been no specific talks on a possible meeting." He added: "This meeting is not on the agenda of the Argentine delegation because Gorbachev is not planning to visit Italy."

When asked to assess his trip to Kuala Lumpur, Cavallo said: "We took the opportunity to hold several bilateral meetings with representatives of countries of the Group of Fifteen." He added that Malaysia "can be an Argentina's good trade partner because several Argentine capital goods markets are interested in the Malaysian market."

Cavallo said that President Menem and the Malaysian king and prime minister succesfully discussed the possibility of "creating a distribution center for the Argentine products in the Malaysian market in a free trade area."

In this regard, Cavallo announced that late in September or early in October an Argentine trade delegation will visit Malaysia to try to reach a bilateral agreement with the private sector.

Concerning Kenya and India, Cavallo said that there are good possibilities for cooperating with these countries and that Argentina can share its experience in several sectors with them.

Asked about the Malvinas issue, Cavallo reiterated that the solution of the Argentine demands on the sovereignty issue "can be only solved through the political negotiations."

Minister on IMF Loan; Negotiations Previewed

PY0706003090 Buenos Aires LA PRENSA in Spanish 2 Jun 90 pp 1, 4

[Excerpts] Economy Minister Antonio Erman Gonzalez reported yesterday that the government has received an IMF loan of $240 million. He denied that a symbolic payment will be made before beginning negotiations with private banks.

Gonzalez noted that the IMF loan arrived yesterday following the approval of the letter of intent on 25 May. He added that IMF Director Michel Camdessus will visit the country later this month. [passage omitted]

Central Bank Vice President Javier Gonzalez Fraga will head the Argentine delegation that will leave for New York on 4 June to start negotiations with the private banks on 7 June. It will be the first formal meeting between Argentine officials and creditors since Buenos Aires stopped paying the interest on its foreign debt. The banks will insist that Argentina pay at least $100 million immediately, a local creditor representative has said. He added that "the payment would be an indication of goodwill to start the negotiations."

Another creditor bank executive said that there is no unanimous opinion among creditors on the demands to be made to Argentina. He added: "There are European banks that want nothing to do with Argentina, but they know that if there is no agreement the situation could get worse."

Another Argentine official said that despite the creditors' pressure the government will defend its plan to pay in accordance with the situation of its economy.

Payment Made

PY0806060090 Buenos Aires DYN in Spanish 2012 GMT 7 Jun 90

[Text] Buenos Aires, 7 Jun (DYN)—Economy Minister Erman Gonzalez confirmed this afternoon that Argentina paid $40 million to creditor banks just before resuming negotiations to refinance the foreign debt.

This information was reported about one week ago by practically all communications media. Gonzalez said that the government had not made any comments on the issue "in order not to reveal the strategy" that the Argentine negotiators will pursue with the foreign creditors.

Not Money Laundering

PY0606181490 Buenos Aires TELAM in Spanish 1842 GMT 5 Jun 90

[Text] Buenos Aires, 5 Jun (TELAM)—Today Economy Minister Antonio Erman Gonzalez stated that the national government favors an investment promotion program that may create job opportunities, but asserted that it will establish mechanisms to prevent the "laundering" of money from sources such as drug trafficking "or of other dubious origins."

Minister Gonzalez thus answered businessman Arnaldo Etchart who wondered what inquiries would be made of those people who intend to invest in the productive sector.

The minister said that Etchart's question referred to "the 'hot' subject of money laundering. To a certain extent I agree that there should be 'no more' laundering because it would only mean discouraging those who have fulfilled their duties."

Gonzalez explained: "What the government favors as an investment promotion plan, in other words, that those people or contributors who bring money into the country should declare this increase of capital as profit not subject to a pending court case [anos prescriptos]."

Minister Gonzalez said that we are thus "protecting ourselves from something else: We do not want money coming from drug trafficking. We only want to recapture genuine investors that may have been or are not registered at the DGI [General Directorate of Taxation], but who are now willing to make a risk investment that may create job opportunities, bring technology into the country, broaden productive capacity, and not merely make existing capital legal."

The minister made this statement after the opening of the conference on "The Role of the Private Sector and Development" organized by the Argentine Chamber of Agencies and Foreign Exchange Houses (CADECAC), held at the Sheraton Hotel today.

Maria Alsogaray Blames SIDE for Phone Taps

PY0706184890 Buenos Aires BUENOS AIRES HERALD in English 7 Jun 90 p 11

[Text] (DYN)—ENTEL [National Telecommunications Enterprise] state telephone company trustee Maria Julia Alsogaray yesterday held SIDE [Secretariat for State Intelligence] state intelligence responsible for tapping the phones of her father, presidential adviser Alvaro Alsogaray, while Vice-President Eduardo Duhalde promised to give an "official explanation" of the affair shortly.

Maria Julia Alsogaray testified at the court of Federal Judge Martin Irurzun, and later told the press that the bugging "was done by SIDE."

These charges contradicted presidential chief-of-staff Alberto Kohan's claim that the phone tapping was performed by "private agents" working for unspecified independent secret services.

Both Alsogary and Kohan, however, agreed on the fact that presidential military aide-de-camp Andres Antonietti was not implicated.

The ENTEL trustee, who was grilled by Irurzun as both witness and alleged victim of the bugging, stressed that the secret services worked "without an order issued by the judge because, according to their explanation, they did not have enough time to request it."

Nevertheless, she added that the tapping was carried out in view of the threats her father received. "I can affirm this categorically, because this is the explanation SIDE gave me," she said. Unconfirmed press reports recently claimed her father's phones were tapped under presidential orders to confirm his possible links to a fraud scam.

Duhalde, for his part, said the government was carrying out "a thorough investigation" of the charges.

Duhalde Rejects Military Salary Increase Demands

PY0706184890 Buenos Aires BUENOS AIRES HERALD in English 7 Jun 90 p 11

[Text] (NA-DYN)—Vice-President Eduardo Duhalde, who is acting president during Carlos Menem's absence, yesterday rejected the demands made by Air Force Chief-of-Staff Brigadier General Jose Julia for large salary increases for the armed forces.

The Air Force head made these demands the day before yesterday, denouncing the present situation as "unbearable," but adding that he didn't wish to "jeopardize the economic plan."

Duhalde stated in response that the government wasn't going to risk economic instability by offering salary increases that it couldn't afford. But the vice-president agreed that the higher wage increases demanded by the armed forces and other sectors of the state were "justified," and admitted that wages "are very, very low."

The night before, the Economy Ministry announced a 24 percent increase in army wages, that will be distributed according to rank.

The vice-president also spoke out strongly against corruption in two speeches that he gave yesterday, warning that the economic plan was doomed unless the "moral leukemia" the nation was suffering from was eliminated.

Duhalde pronounced himself in favour of a system that "penalizes corruption," and stated that the government was prepared to act definitely in this case.

Duhalde Says Relations With Army Chief Cordial

PY0606153490 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1536 GMT 5 Jun 90

[Text] Acting Vice President Eduardo Duhalde today said that he asked Army Chief of Staff General Martin Bonnet to abstain from making new statements on the upcoming pardon of former military commanders.

"I only asked him not to try to interpret the will of President Carlos Menem," Duhalde said on admitting the reliability of the information released by the NOTICIAS ARGENTINAS news agency last Sunday.

Duhalde played down his implicit discussion with Bonnet as to whether the pardon will be granted as a recognition of the actions carried out by the Armed Forces in the antiterrorist struggle. Duhalde, however, pointed out "his very cordial relations" with Bonnet. He denied that he warned Bonnet that he will be sanctioned if he reiterated such statements. On referring to recent cases of phone bugging that were denounced, Duhalde said: "It is worrisome to know that this type of organization continues to operate six years after democracy was restored.

He told Radio Rivadavia that "the people must be aware that this is a truly aberrant crime." He thus alluded to people who are little concerned about this situation.

Duhalde said that the phone bugging is similar to usury and smuggling and that "people are not clearly aware that they are criminal activities." He regarded these crimes as "a symptom of the moral crisis" which is affecting the country.

Commander Urges Military Wage Improvements

PY0606191690 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1940 GMT 6 Jun 90

[Excerpt] Buenos Aires, 5 Jun (NA)—Major Brigadier Jose Julia, Air Force commander, today said that the armed forces members "do not seek to destabilize the economic plan." He reiterated, however, the need for a salary readjustment for the military by saying: "We want a decent life with a salary that can meet our monthly expenditures." He stressed: "We want to earn a good salary so that we can say at the end of the month that we have eaten, educated our children, and that we are able to comply with our obligations."

"We are at the service of the country, but we want the entire country to understand that it can not have an armed forces under the current situation without jeopardizing the future, because a country without national defense is a country that has signed a short-term promissory note of surrender," Julia said. He added: "People should be aware of the need for national defense, because nobody will guarantee them that any day another country decides to take possession of our riches it will not have any problem doing so."

In statements made at the end of a reception to mark the journalist's day at the Condor Building, the Air Force headquarters, Julia told the newsmen: "The last time we met I told you that our situation was critical, and I regret to repeat that the crisis continues."

He said in this regard that "we are all culprits," and that "all Argentines have something to be blamed for." [passage omitted]

Editorial Criticizes PRC President's Visit

PY0706195290 Buenos Aires LA PRENSA in Spanish 5 Jun 90 p 6

[Editorial: "A Visit That Provokes Reserves"]

[Text] The Chinese president's brief and lackluster visit to our capital has served to make even more evident the characteristic features of the Beijing regime. During his passage through Buenos Aires, Mr. Yang Shangkun donated 1,200 bicycles to social entities and asked Argentina to renew a $300-million credit, designed to purchase national products. The reception speeches did not miss the usual sentence "to strengthen the commercial ties" and the signing of the usual "cultural agreement" between the two countries. The Argentine foreign minister announced that within a short time the Chinese would propose putting into orbit a communications satellite, an issue that has already been reviewed by the PRC aeronautics minister and our communications secretary. The proponent country is the same country that, with a 20-year delay, barely a year ago authorized the televised broadcasting of the arrival (1969) of the first (North American) man on the Moon.

This is the only explanation of the restrictions imposed on local journalists when they tried to obtain a response to some questions. Except for some journalists chosen in advance, nothing was said to the rest of our colleagues. While among us, the visitor followed the strict standards of concealment and silence that are observed in the vast autocratic empire that has Beijing as its capital.

The announced press briefing was held in his residence and only the official agencies TELAM and XINHUA, the representative of A Diplomatic Agenda, a program

broadcast by the official television station ATC [Argentine Color Television], and a representative of a publication of the interior were allowed to enter. In good time, a morning newspaper of this capital delivered to Mr. Yang a questionnaire for him to answer with the understanding that he would be able to answer further questions. The latter was not granted. One of the questions was about last year's bloody repression at Tiananmen Square in Beijing when the tanks massacred more than 3,000 youths who were demonstrating against the government. It is regrettable that Federal Policemen, following the instructions of their superiors, prevented the entry of representatives from other media to the press briefing: "We have orders to allow the entry of official newsmen alone." Under these circumstances, no one should have entered.

An Amnesty International delegation was unable to deliver a petition and the hotel managers ordered the withdrawal of a banner that Amnesty International supporters were carrying. The photographer of an evening newspaper was reprimanded by a policeman when he tried to take a photograph of one of the tense moments that characterized the nervous atmosphere that prevailed for a few minutes.

Although we recognize that it is the standard of nearly all the foreign ministries of the world, including ours, to maintain diplomatic relations with all the countries without regard to their political or ideological system, we must say that the presence of the PRC president in Buenos Aires accumulated enough demerits to be viewed as a not so pleasing visit.

We hope that when President Menem visits Beijing in November 1990 the news conference he will surely hold will be characterized by the observance of the standards of good taste and liberty that the Chinese president did not manage, or perhaps did not want, to observe during his brief stay in our city.

Boats Sent to Central America on Peace Mission

PY0706193690 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1735 GMT 7 Jun 90

[Text] Buenos Aires, 7 Jun (NA)—It has been officially reported that four fast boats from the Argentine Navy left today for the Gulf of Fonseca in Central America, to cooperate in a patrol mission for the pacification of the region.

UN Secretary General Javier Perez de Cuellar has requested the sending of the Argentine boats and the fulfillment of the patrol missions.

The report adds that the four boats were sent aboard an Argentine Navy transport ship that left the Ushuaia Naval Base. The boats will patrol the Gulf of Fonseca zone between Nicaragua and Honduras, in compliance with the Central American Peace Agreements.

Brazil

President Collor Arrives in Milan 7 June

PY0706194690 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 7 Jun 90

[Text] President Fernando Collor arrived in Italy at 1500, 1000 Brazilian time. The Italian Government protocol chief welcomed him at the door of the plane.

During his four-day visit he will meet with President Francesco Cossiga and will attend two sporting events: the opening of the soccer world cup tournament by the Argentine and Cameroonian teams and the soccer match between the Brazilian stars and the Swedish team in Turin on Sunday. After a quick exchange of greetings with the authorities of the city of Varese, where the airport of the Milan region is located, Collor headed for the hotel where he will stay until Saturday. Then he will go to Turin. The president is now resting at a hotel in Milan. Tonight he will attend a concert at the Escala de Milan theater, and then he will meet with Milan Prefect (Paolo Filiteri).

White House Trade Representative Visits

PY0806022690 Brasilia Domestic Service in Portuguese 2200 GMT 7 Jun 90

[Text] The Brazilian ambassador to the United States has said that Carla Hills' visit to Brasilia has greatly helped to improve relations with the United States. Brazilian Ambassador to the United States Marcilio Marques Moreira said that White House trade representative Carla Hills' trip to Brazil has greatly helped bilateral trade relations with the United States because several disagreements were ironed out.

According to the ambassador, Carla Hills understood Brazil's desire to strengthen its multilateral position on trade. After all, the ambassador said, 25 percent of Brazilian exports go to the United States, 30 percent to Europe, and 15 percent to Asia.

Ambassador Marques Moreira said the United States will allow Embraer [Brazilian Aeronautics Company] to import supercomputers mainly because it is convinced that these computers will be used for aerodynamic projects and not for other purposes.

Marques Moreira said Carla Hills will be watching what Brazil does on the issue of soybean oil. Hills expects the Uruguayan round of GATT talks to resolve the situation and avoid a competition based on subsidies.

Construction of Angra II, III To Continue

PY0706194290 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 7 Jun 90

[Text] The construction of the nuclear power plants Angra II and Angra III will not be suspended. The Rio de Janeiro Court has granted an injuction submitted by

FURNAS [Fumas Electric Power Plants, Inc.] overruling the Angra dos Reis Prefecture's decision to suspend the construction.

The Angra dos Reis Prefecture made this decision in keeping with the Constitution which establishes that the construction projects be approved by the prefectures.

Minister Reports on Economy's Performance

PY0606202090 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Jun 90 Economy Section p 1

[By Joao Borges]

[Excerpts] Yesterday, Economy Minister Zelia Cardoso de Mello warned that the government will adopt a "strongly recessionary" policy if it happens to lose actions filed by workers with the Labor Court, demanding salary readjustments of up to 166 percent. She gave this warning during a news conference in which she reported on the Collor Plan performance in the first two and a half months of its implementation.

Minister Cardoso de Mello presented an array of data that demonstrates the "absolute success" of the plan, and said that to fight inflation, she will not hesitate to lay hands on the orthodox mechanisms of monetary and fiscal policy; that is, the volume of money in the economy would be reduced even more, thereby causing recession.

Should the congressional battle for the approval of Provisional Measure 190, which empowers the Superior Labor Court to suspend salary increases that might be granted by lower labor court, be lost, the government will act promptly. According to Minister Cardoso de Mello, only two tools to fight inflation remain: Rigorous monetary control and greater expenditure cuts. She said: "But we prefer to wait for the decisions from Congress and the Supreme Justice Court." [passage omitted]

Minister Cardoso de Mello defended her view that should inflation escape control, the country will not recover its historical indexes of economic growth. Referring to indexation for up to five monthly minimum salaries, the minister affirmed: "That is unrealistic, because that would mean starting all over again." The indexation restricted to those lower salary brackets will soon spread to the entire economy, said the minister.

The minister backed her assertion that inflation is under control with data from various research institutions. [passage omitted]

These are the main points Minister Cardoso de Mello made in her news conference:

Inflation—Data cranked out by the Foundation Institute of Economic Research (FIPE) shows that inflation has steadily declined week after week following the inception of the Collor plan. Other inflation indexes show the same declining trend.

Black Market Dollar—The differential in the price of the black market dollar above the official dollar dropped from 160 percent before the Collor plan to nearly 60 percent after it was implemented. The minister said that this reveals the economic agents' confidence.

Savings Book—Investment with higher returns; the volume of deposits is returning to normal.

Trade Balance—The trade-balance surplus that has been shrinking since June 1989 began to increase, reaching the $1.2 billion mark in April.

Foreign Trade—The government will announce on 23 June a foreign trade plan for the next five years. Its spirit will be to open the Brazilian economy to foreign competition to improve quality and to lower prices.

Public Finance— The National Treasury went from a deficit of 24.5 billion cruzeiros in January and February to a surplus of 317.3 billion cruzeiros in March, April, and May. A fiscal surplus of two percent of the GDP is guaranteed for this year.

House Rent—The government will announce this week new rules for rent payments.

Salary Increase—It can be granted without passing it on in prices. According to the minister, some employers are doing just that, thereby distributing income. The minister said that "the government approves of this income distribution."

Chile

Minister on Drugs, Bolivian Claim, Israel Visit

PY0806032590 Santiago Domestic Service in Spanish 2300 GMT 7 Jun 90

[Text] Foreign Minister Enrique Silva Cimma, who has just returned from Asuncion, Paraguay, where he attended the OAS General Assembly, has said that Chile is aware of the drug trafficking problem that is affecting Latin America and other countries of the world.

He explained that Chile's participation at the OAS meeting was positive and the fact that the Assembly did not vote on the resolution presented by Bolivia regarding an outlet to the sea was a favorable occurrence. He said he expects bilateral talks with Bolivia about pending issues related to this topic to begin soon within a framework of generosity and broad-mindedness.

The minister denied having visited Arab-occupied territories during his trip to the Middle East, saying that he had visited only Tel Aviv and Jerusalem. He also said that press reports stating that he had made comments on the Palestinian problem and had asserted that Israel is an ideal democracy were not true. I never said that, mostly because no one asked me about it, Silva Cimma said. Someone is apparently interested, he said, in attributing statements to the foreign minister that he never made.

He said the Foreign Ministry has been working with team spirit, smoothly, and responsibly.

Rojas on Pisagua Case, Pinochet's Status

PY0806004690 Santiago Radio Chilena Network in Spanish 1700 GMT 7 Jun 90

[Report by Federico Quirogranos]

[Text] Chilean Defense Minister Patricio Rojas said this morning that any high-ranking military officer who may have been involved in the Pisagua killings must answer for his crimes in court.

At a news conference with foreign correspondents, Rojas said that all Chileans are equal before the law and that each individual must answer for his actions. He pointed out that it is up to the Supreme Court to decide if the case will be handled by a civilian or military court.

[Begin Rojas recording, in progress] ...but if it is discovered that high-ranking military officers are involved, they will have to answer for their actions. All Chileans are equal before the law and they will have to appear when summoned by the proper courts. [end recording]

Patricio Rojas added that Article 5 of the Chilean Constitution compels all Chileans to uphold human rights and the Geneva Convention. Defense Minister Rojas also said that it is up to the courts to establish which court will try those responsible for the executions in Pisagua.

Rojas also noted that the records of the CNI [National Intelligence Center] have been placed at the government's disposal. He said the government had recommended that the Army improve the Army Intelligence Department, DINE, and that this could be achieved by reducing the number of DINE personnel.

The defense minister pointed out that the Army has still not responded to the government's apprehensions, which President Patricio Aylwin expressed to Army Commander Augusto Pinochet, regarding the functions of Pinochet's advisory committee. He reasserted that the government believes that it is not appropriate for a National Security Council member to have an advisory committee with the same characteristics as the committee headed by General Jorge Ballerino.

Asked about the independence General Pinochet has displayed in his activities, Defense Minister Rojas said that General Pinochet's situation is undoubtedly atypical because he is a former head of state, and that this constitutes a problem. Patricio Rojas insisted, however, that Pinochet must answer to the Defense Ministry. He added that he has held several private meetings with Pinochet.

Patricio Rojas also rejected the possibility of eventual coups d'etat or military uprisings, stating that anyone who intends to disrupt the institutional order must take into account the fact that the vast majority of Chileans wish to live in democracy and peace.

Government Praises Pisagua Investigation Decision

PY0806013690 Santiago Radio Chilena Network in Spanish 1700 GMT 7 Jun 90

[Text] Government Secretary General Enrique Correa has said that the government has praised the Supreme Court decision to appoint a special judge to investigate the finding of the remains of political prisoners executed in Pisagua.

[Begin Correa recording] We believe the court's decision is commendable. The Chilean Constitution establishes the independence of the Chilean judicial system and we want it to be even more independent. We are therefore more than happy that the Supreme Court has gotten involved in this issue. [end recording]

Asked whether the Amnesty Law will be applied to those responsible for these killings, Correa said that the appointment of a special judge means that an investigation is called for and that the laws will be enforced accordingly.

He added that the fact that the government respects the court's decision does not mean it is indifferent to the issue. He said: On the contrary, it will do everything possible to repair the damage done, honor the victims, and give them a proper burial.

Correa also reported that Justice Ministry Under Secretary Marta Worner has traveled to Pisagua.

* Contreras' Previous Declarations Reviewed

90SM0080A Santiago EL MERCURIO in Spanish 29 Apr 90 p 6-d

[Excerpts] "I'll tell you a million times the same thing I told the president and all of Chile: I have nothing to do with the assassination."

Manuel Contreras Sepulveda believes in himself. This must be why he is concerned today not about the reopening of the Letelier case but about his lumber business in the south, as he does calculations and finishes work on the shipments that he may be sending overseas.

After all, besides paying back loans, one has to make a living. And his company, Alfa Omega, was not making as much profit as before, when it provided security services to major state-run enterprises. These enterprises changed management and, in so doing, reassessed their services suppliers too. This is said to be the reason for the change.

All in all, it is easy to imagine that on more than one stroll through his rural properties he must have given some thought to the reopening of the Letelier case, to the alleged reappearance of "Liliana Walker," to the arrest of the Cuban Jose Dionisio Suarez, or to the investigation that the Foreign Ministry is pursuing into passports.

Perhaps he took these walks with attorney Sergio Miranda Carrington, who is quite familiar with the proceedings and who therefore will probably represent him during the new stage of the trial. But all of this may just be speculation, fueled by his silence and unknown whereabouts.

"He may be somewhat tired," one of his acquaintances admits. "After all, he's still somewhat weak from the serious operation that he underwent. He was also deeply affected by what happened with his son Manuel, when he shot and killed Major Molina."

In his absence, however, his few previous statements to the press take on greater significance.

Personal History

Manuel Contreras entered the Military School in 1944. He was a staff officer in the engineers branch, a professor, and a director of the War Academy. Among his posts were the Military School and the Chilean military mission in Washington.

He was appointed executive director of the DINA [National Intelligence Directorate] in 1974 and, when this organization was dissolved 4 years later, he took over the National Information Center (CNI).

In the wake of former Foreign Minister Orlando Letelier's murder, the U.S. Government, which blames Contreras for the former minister's death, requested his extradition. During the trial he remained in the Military Hospital, from August 1978 to 2 October 1989 [as published], when the U.S. request was denied.

In 1980 he was summoned to testify before Magistrate Servando Jordan, who was investigating close to 100 cases of individuals who allegedly disappeared in Santiago between 1973 and 1976.

Personal Background

In March 1978 he was reported to have retired voluntarily from the army, which had always captivated him. His father, grandfather, and great-grandfather had been in the military, as three of his sons-in-law and a son, Manuel, who attended the Military School for a while, later were.

The 60-year old Contreras is married to Maria Teresa Valdebenito, and they have four children. The three girls are married, and the son still lives at home. The retired general also has eight grandchildren.

As of March 1989 he could point to some 17 attacks on his person, in spite of which he says that he is not afraid of death.

He says that he is a Catholic and, as far as we know, receives communion. He has also said that he has respect for human life. In 1979 he told ERCILLA that "this respect for human life stops in times of war, when man assumes the power of God and on many occasions, faced with the dilemma of kill or be killed, opts for what is in his best interest or simply kills out of the need to survive."

On that same occasion he contended that there were chaplains in DINA who lent moral support to his personnel and that as an institution "we even had a home for some elderly priests who had no place to live."

He describes himself as "a military man without partisan political leanings."

Under the Table

One of his most controversial posts was in DINA, which he joined after serving as director of the War Academy.

He argues that DINA arose in response to the need to break up "the enormous secret infrastructure that Marxism left behind in Chile in a bid to plunge Chile into a guerrilla war just like the one in Vietnam." And he recalls that in 1973 "15,000 foreigners, along with a huge number of Chilean extremists, went underground."

Therefore, he says, it was time for another sort of agency to go into action to fight under the same conditions and on the same terrain as the subversives, in other words, "under the table."

In his opinion, by that time Marxism had already carried out two phases of the clandestine war: infiltration and organization, and was trying to start a third: systematic violence.

He thinks that the performance of duty is different in peacetime and in wartime and without coming out for or against the courts, he cites examples:

"After the Second World War those who thought they were doing their duty, rightly or wrongly, were tried at Nuremberg. The same thing is currently happening (1979) in Iran, where the people loyal to the shah thought they were doing their duty and are now being executed daily. Now then, the people who dropped the bombs on Hiroshima and Nagasaki, those who were responsible for the My Lai massacre, or those who began the holocaust in Vietnam do not and will not have problems. As you can see, the victors determine how far doing one's duty can go, and woe to the vanquished!"

In 1979 he told COSAS that "we must have done a very good job, because 12 years after DINA disappeared and with me retired, they're still worried about the old troops who did away with the MIR [Movement of the Revolutionary Left] back then...."

He says that "the international Marxists" are never going to forgive him for having "eliminated all of the cells of the subversive war" on them.

"We had confrontations, not excesses," he clarifies.

DINA

He has stated that DINA was supposed to provide the government with intelligence in the domestic, foreign, and economic fields and to cooperate in areas of national defense.

He stated that DINA's pyramid structure left few opportunities for subordinates "to take action on their own," inasmuch as the planning of intelligence activities forced them to carry out their orders strictly. "And the supervision by selected officers dictated compliance with orders."

He is convinced that DINA wrote an honorable page in Chile's history, something that "will be understood some day."

"Its heroism enabled us to fight and to die, but we won the clandestine war...at the cost of human lives, at the cost of our own casualties, which we did have. They went to their graves without complaints at the United Nations, without plaintive lamentations, or church takeovers. They were merely doing their duty, and that was their cold but eloquent epitaph."

He always thought that his successors in charge of the institution should have defended it. Among his regrets he has one that he considers important: "Not having been tougher on the Marxists."

What Others Think of Him

Most of the journalists who have interviewed him emphasize his intriguing, cordial, gentlemanly, "dangerously enchanting" style. He has granted interviews only to women, with the exception of Pablo Honorato.

Gustavo Villalobos Bolt, one of his attorneys in previous trials, describes him as "an excellent person, very straightforward and affable. He makes you feel like a close friend."

But not all opinions of him are that warm. He has his opponents. In his book "Labyrinth" former U.S. prosecutor Eugene Propper describes him as "one of the most sinister and cruelest men in the world."

Mariana Callejas, a former DINA agent and ex-wife of Michael Townley, said on one occasion that she knew him only by sight, "I think that he's heartless and the most powerful person in Chile."

Two Traits

In reading over the few interviews that General Contreras, retired, has given, we see two recurring elements: his avowed sense of loyalty and his opposition to Marxism. His loyalty is to the army; Marxism is like a specter that has to be done away with.

"Even if they killed me, I wouldn't ever be disloyal to anyone." "I can't tolerate disloyal people," he said, responding to a word-association game that LA SEGUNDA posed to him last year.

In 1984 he emphasized to EL MERCURIO that "he feels more loyal then ever to the cause that guided us toward having the government that we do, loyalty to the president of the Republic, loyalty to my institution and to my country."

When Chile's former ambassador to the United States, Jose Miguel Barros, stated that at an informational meeting with the former assistant secretary of the interior, Enrique Montero, the latter had told him that Letelier's assassination had been ordered by the "genius of intelligence" and that that person's name was Manuel Contreras, the former DINA director replied:

"I don't think that Barros is telling the truth in implicating people from the government back then who have nothing to do with these insults."

LA SEGUNDA asked him the following question: "If you had just one thing to wish for, it would be...." Contreras completed the sentence thus: "...to be allowed to continue fighting the Marxists in Chile."

Recalling how he felt when he was under preventive detention in the Military Hospital, he told COSAS in 1979 that "machinations were under way aimed not at me but at the president of the Republic. I think that the national and foreign plotters believed that being under arrest and charged with a dual slaying, General Contreras was immediately going to turn on the president because, as a general, he was my superior."

Nevertheless, in May 1979 when Contreras and his second in command, Colonel Pedro Espinoza, tried to file constitutional charges against three cabinet ministers at the time, Contreras made statements that to some implicated the then chief of state in the Letelier affair.

"General Pinochet feels that this situation is altogether a thing of the past. As a military man, I'm prepared once again to obey my general's orders, in spite of the ignominious attitude of some of the lackeys that currently surround him."

In the interview with COSAS, moreover, he explained that he viewed loyalty as unconditional and that in that case, "since I knew that I was completely innocent, it would have been absurd and disloyal of me to think about attacking his excellency the president of the Republic."

The newspaperwoman asked: "Why were you called on to retire?"

"Advisers to the president of the Republic counseled him that for the good of the country it was better to sacrifice General Contreras to prevent the United States from continuing to press the Letelier case."

The Pawns

But retired General Contreras has been an intelligence officer and with the same skill with which he dominates a chess game, moving bishops, rooks, and knights, he has

managed to respond to those who accuse him of being the mastermind of Orlando Letelier's murder.

To him, the pawns are to be found elsewhere.

"You should look for Letelier's murderers in the United States, because someone powerful must be hiding them there. What's more, the masterminds are also in the United States and should be sought there too, instead of making horror films about a country called Chile."

"Remember," he told a newspaperwoman, "that the murder took place in 1976, and at that time the United States could find no way to remove or overthrow President Pinochet."

In 1979 he told ERCILLA that the DINA did not know Orlando Letelier and that the work that he was doing in the United States was of no interest to it. "He wasn't the most important UP [Popular Unity] man in exile and wasn't doing much damage to Chile, as I understand it. So why would DINA take part in his assassination, which from every standpoint was reprehensible?"

In his opinion, if there was anyone interested in causing problems between the United States and Chile, it was Fidel Castro. But if it were to be proven that Townley worked for the CIA, it too would have trouble on its hands. [passage omitted]

Liliana and Fernandez

Referring to the book "Adios al Septimo de Linea," Contreras indicated last year that like Leonora Latorre, Liliana Walker Martinez was a real woman, "a very beautiful one, they say, who performed an intelligence mission in the United States, seeking to ascertain which Marxists were trying to defame Codelco [Copper Corporation] and Corfo [Production Development Corporation] in New York."

She carried out the mission for which she was recruited and went back to her regular job, "and I don't and didn't know what that was."

He relates that DINA procedures prevented anyone from getting to know the informants or individuals recruited to perform a single mission.

"I didn't know Liliana Walker, but she did exist."

Monica Luis Lagos, who says she is "Liliana Walker," has indicated, however, that she did know Contreras.

In Contreras' opinion, if Liliana Walker had appeared "at the proper time, let's say 11 years ago, she would have clarified the whole panorama for us, because she would have said what mission she was actually on and would have demolished all of the paid-for statements of Townley and Fernandez Larios in the United States."

In testimony that Contreras gave before the then chief justice of the Supreme Court, Israel Borquez, he indicated that "since Lieutenant Fernandez had been looking forward to going to the United States, where he was born and where he had a sister in Washington, as a reward for his lengthy and efficient record of service to DINA I decided to entrust him with a mission as a support agent to her."

Fernandez indicated in the United States, however, that Espinoza and Contreras sent him to Washington to monitor Letelier's movements and that he was unaware of the ultimate objective, although he suspected it. He adds that on his trip he was accompanied by a woman, Liliana Walker, who would serve to divert attention from him.

He recounted that he was informed by an individual who was involved in the assassination of what had happened during a meeting between Contreras and General Hector Orozco, the prosecutor who was then handling the case.

"When Contreras was asked why he had given that order (to watch Letelier), he replied that he himself had received orders. When he was asked from whom, he replied thus: 'Ask the chief.'"

The woman alleging to be Liliana Walker asserts, for her part, that she did indeed go to Washington as Fernandez' companion but that she was unaware of the mission's ultimate objective.

Reappearance

Although retired General Contreras has not reappeared in public for quite some time, those who were watching the Channel 13 newscast on the night of 14 March were surprised to hear of his remarks to Pablo Honorato.

He indicated that he did not know and never had contact with the Cuban Jose Dionisio Suarez, whom the FBI had recently arrested.

When asked whether he was willing to have the "Passports Case" reopened, he contended that "it's not that I'm now willing; I've never been opposed to it. On the contrary, my attorney Sergio Molina Carrington once asked for the case to be reopened. They can do so whenever they like, because I have nothing to hide."

"Moreover," he added, "I believe fully in Chilean justice."

The case has already been reopened, and people have been summoned to testify.

Colombia

Ill Feelings Created by U.S. Attitude at GATT

PA0806024490 Hamburg DPA in Spanish 2301 GMT 7 Jun 90

[Text] Bogota, 7 Jun (DPA)—Several political and economic sectors today expressed their surprise and indignation over the attitude of the United States in the commercial sector. The United States was the only country to oppose Colombia's acceptance under the

General Agreement on Tariffs and Trade's [GATT] code on subsidies and countervailing duties.

According to Economic Development Minister Maria Mercedes Cuellar, the U.S. position is not justifiable, especially when Colombia is facing great difficulties in its struggle against drug trafficking.

Of the 39 GATT members, the United States was the only one that did not approve Colombia's acceptance. It claimed that President Virgilio Barco Vargas' government would first have to reduce its export subsidies.

Ricardo Sala Gaitan, president of the National Exporters Association (Analdex), said that the United States has once again proven that Colombia "is not important to the White House." Other sectors have joined the protest and described Washington's behavior as "incomprehensible and unfriendly."

Today's issue of EL EXPECTADOR, a Bogota daily, states that "the U.S. attitude has been viewed as a real slight by President George Bush who says he supports the war that Colombia is waging against the drug cartels but who does nothing to show that his words are sincere."

By being protected under this code, the Colombian products would not be "penalized" by the other 38 countries with the excuse that they are affecting the local industries.

Thomas McNamara, U.S. Ambassador to Colombia, met today with Colombian President-Elect Cesar Gaviria Trujillo to tell him that his country "has always been willing to help Colombia's economy."

Commentary Criticizes U.S Unfulfilled Promises

PA0706043490 Bogota Inravision Television Cadena 1 in Spanish 0007 GMT 7 Jun 90

[Text] There are dozens of promises to Colombia that the United States has not fulfilled. To top it off, U.S. President George Bush personally told President Virgilio Barco that conditions are not favorable for the sale of Colombian products in the United States. Thus, President Bush has condemned Colombian exports during the last stage of Barco's rule. With friendly countries like this, who needs enemies?

Violent deaths related to drug trafficking represented six percent of the homicides in 1983. These drug-related deaths now constitute over 48 percent of the homicides. There were 613 drug-related deaths seven years ago and 11,254 last year, COYUNTURA SOCIAL—the magazine published by FEDESARROLLO [Federation for Development]—reported today. The Colombian Government billed the U.S. Government for this bloodshed in the Cartagena meeting, where it was clearly established that the money that the U.S. addicts pay for cocaine is the same money that encourages crime in Colombia. President Bush promised some sort of compensation, and the Cartagena Declaration made these commitments:

1. Supply fresh funds for the war against drugs.
2. Cooperate in initiatives for development, trade, and investment.
3. Support the balance of payment by increasing trade with the United States.

However, these promises are gone with the wind. The fresh money has not been offered with the same generosity used to finance the contras. Colombia has lost more than $100 million because of the breaking of the Coffee Pact, a move that was backed by the United States. Instead of receiving support, the Colombian fruit and flower exporters have encountered increasingly stiff obstacles in their effort to sell their products to the United States. Today, when the United States could have carried out its promise, it refused.

There are pressure groups interested in protecting the local industry. Perhaps this is why Colombia's recent request to gain access to the U.S. market within the GATT subsidy standards was rejected. Colombia expected to take advantage of the privileges that the GATT subsidies code gives exporters, but President Bush told President Barco that he would not approve. Barco thus returned and was warmly applauded and regarded as a hero, but his hands were empty. The president did well, but the country did not.

Peace Adviser on Dialogue With FARC, EPL

PA0706181690 Bogota Radio Cadena Nacional in Spanish 1200 GMT 5 Jun 90

[Text] Bogota—Rafael Pardo Rueda, presidential adviser on peace issues, has said that the national government has not closed the door to a possible dialogue with FARC [Revolutionary Armed Forces of Colombia] or any other subversive group.

The official explained that the method used in negotiations with M-19 [19 April Movement], which will probably also be applied to the Popular Liberation Army [EPL], the Workers Revolutionary Party [Partido Revolucionario de los Trabajadores], and the Quintin Lame Commando Unit, is based on a pardon as the means to incorporate into civilian life those people who have been acting outside the framework of the law.

Pardo said that once incorporated into public life, a guerrilla will have the rights and responsibilities of all citizens under the conditions that the Constitution establishes for the granting of pardons.

Finally, he revealed that in an EPL Central Command communique, the group's official spokesman, Bernardo Gutierrez, denied a report that there are divergent positions within that guerrilla organization regarding negotiations to demobilize the subversive group.

48 Killed in 24 Hours in Antioquia, Cordoba

PA0706193690 Madrid EFE in Spanish 1817 GMT 7 Jun 90

[Text] Bogota, 7 Jun (EFE)—A total of 48 people were murdered in Antioquia and Cordoba Departments, in northwest Colombia, in various violent acts carried out over the past 24 hours. Those slain included 12 peasants who fell victims in two typical ultrarightist killings.

One of these killings occurred in "La Solicita," a village in Campamento Municipality, Antioquia Department, 300 km northwest of Bogota, in the region known as Antioquia's northeast.

In "La Solicita," a group of unidentified individuals who were riding in a four-wheel drive vehicle burst into a peasant house and fired their automatic rifles and hurled fragmentation grenades at its inhabitants, apparently members of the same family.

Two men, two women, and two girls—10 and 12 years old—were killed inside the house. A baby and a six-year-old minor were wounded in the attack.

According to radio reports, a similar killing was carried out today in a rural area of Cordoba Department. However, the radio reports gave no further details.

These two peasant killings fit patterns of collective murders carried out by extreme rightist paramilitary members.

Meanwhile, in Montelibano, also in Cordoba Department, unidentified men today kidnapped Euclides Diaz Cuadrado, a leftist departmental deputy who is a member of the Popular Front, a movement the military sector claims has links with the Maoist Popular Liberation Army (EPL).

The various murders, 38 in Antioquia and 10 in Cordoba, include a policeman and two soldiers slain in the streets of Medellin.

A total of 13 policemen have been killed in Medellin over the past six days, 50 were killed in May, and 113 so far in 1990.

Another violent act was carried out in Medellin when unidentified men who were riding in a taxi fired several times at a group of youths playing soccer in a neighborhood street. Three youths were killed in this attack.

Various types of violence are included in all these incidents. According to studies by various Colombian experts, such types of violence includes that of extreme rightist paramilitary members against suspected leftist guerrilla collaborators, that of revenge among common criminals, and that of leftist guerrillas against alleged army informers.

In addition, there are violent acts carried out by Medellin Cartel drug traffickers against policemen because, the cartel claims, of the "dirty war" that policemen and soldiers are carrying out against its members.

There is also violence in the so-called "northeast commune" of Medellin, where 500,000 people—one-fourth of the inhabitants of the city—are crowded amid conditions of extreme poverty. This commune is a nest of juvenile delinquents and hired gunmen.

Paraguay

Opposition Requests OAS Observers for Elections

PY0606221690 Asuncion ABC COLOR in Spanish 6 Jun 90 p 7

[Text] The Authentic Radical Liberal Party (PLRA) yesterday officially requested the OAS to send international observers to the next Paraguayan municipal and general elections. The PLRA promises to seek support for this petition among the officialist party, so that the national government may officially request the observers.

The PLRA note, dated 5 June, is signed by party President Domingo Laino, and is addressed to OAS Secretary General Joao Baena Soares.

Among other things, the note states: "Given your statements to the national media saying that the 'OAS may come to observe the Paraguayan municipal or presidential elections, but only if the Paraguayan authorities so request it,' I want to express the interest that the most important opposition party of the country has in obtaining the cooperation of the OAS in this historical moment of the Paraguayan democratic transition..."

The note adds that this wish is shared by all Paraguayan democrats who want truly free and clean elections.

"Beside expressing our interest, we are taking into account the good experience of the Nicaraguan elections, whose democratic openness was greatly aided by the OAS," the PLRA note adds.

The PLRA letter requests the OAS to implement an international observers program that will include members of the Inter-American Human Rights Committee for the 1991 and 1993 elections.

The PLRA president has told Baena Soares that his party and all the democratic forces of Paraguay "will seek a consensus with the officialist party so that the national government may officially request the cooperation of the OAS."

The request for observers is not restricted only to the day of the elections because, according to the note, the OAS cooperation is necessary from the "initial stages of the upcoming elections," which implies controlling the voting registration process which began recently and which is questioned by the opposition.

It has been learned that the PLRA will make a similar request to the United Nations. Laino said that the PLRA has already made informal approaches on the subject to the UN General Secretariat during the visit of Juan Felix Bogado Gondra, head of the PLRA Coordinating Board of Asuncion, to the United States.

Rodriguez: Observers 'Not Necessary'

PY0606235690 Asuncion ABC COLOR in Spanish 6 Jun 90 p 7

[Text] President Andres Rodriguez said yesterday that the Paraguayan Government does not believe it will be necessary to request the presence of OAS observers for the municipal elections in March 1991. Rodriguez made this comment yesterday during a meeting with reporters at the international airport after saying farewell to Surinamese President Ramsewak Shankar, who returned to his country.

He said: "I do not believe it will be necessary to ask for observers. Perhaps the request will be made by political parties that do not have confidence in our desire to have clean elections in our country. We are taking all the adequate measures, all the possible methods to ensure clean and legal elections. But some political parties may want to invite observers, and we are not going to prohibit it. The government believes, however, that this is not necessary."

He added that "the press is witness to how the municipal elections are being prepared. The municipal elections will be like training for us; if some mistakes are made it will serve to improve the national elections."

PLRA Demands Resignation of Interior Minister

PY0406143190 Asuncion HOY in Spanish 3 Jun 90 p 12

[Text] The Coordinating Committee and the Council of Committee Chairmen of Asuncion for the Authentic Radical Liberal Party [PLRA] have demanded that General Orlando Machuca Vargas retract his recent statements or submit his resignation as interior minister.

They have issued a communique expressing "their surprise over Machuca Vargas' public support for the violent repression conducted under the dictatorship."

They also voiced "their indignation over the flagrant violation of the recently promulgated Electoral Code, Article 49 of which clearly prohibits officers on active military service from participating in political matters."

They stated that "these antidemocratic and illegal statements certainly contradict statements made by high-ranking Armed Forces officers, who describe themselves as guardians of the laws of the Republic."

Finally, they state "their conviction that a few days before the OAS General Assembly, which is an prominent Panamerican event, it will be necessary for President Rodriguez to clarify this declaration and for Machuca Vargas to immediately retract his statements or submit his resignation."

Reactivation of Regional Organization Promised

PY0706021090 Asuncion ULTIMA HORA in Spanish 6 Jun 90 p 13

[Excerpt] President General Andres Rodriguez stated on 5 June that the Governments of Bolivia, Paraguay, and Uruguay have expressed their political decision to reactivate the regional organization Urupabol [Permanent Joint Commission of Uruguay, Paraguay, and Bolivia]. In August 1990 the three presidents of the member countries will meet in Punta del Este, Uruguay, to bring the organization out of its stagnation.

He added that "there is still nothing official on the meeting, but I can assure you that the three presidents have agreed to reactivate this organization. This presidential meeting could also be held in a border city of Paraguay, Uruguay, or Bolivia."

He indicated that within the framework of the reactivation of Urupabol the member governments will give more impetus to the Paraguay-Parana Rivers waterway project "because there is an urgent need to construct this waterway, and it must be taken into account that our country and Bolivia are landlocked countries," the chief of state said. [passage omitted]

Government Drafting Economic Reactivation Plan

PY0606124690 Asuncion PATRIA in Spanish 2 Jun 90 pp 8, 9

[Text] President General Andres Rodriguez has charged the Agriculture and Livestock Ministry with drafting an agrarian reform project, and the economic team with drafting an economic reactivation and monetary stability plan.

For this reason on 1 June the president presided over a meeting of the cabinet and the economic team at Government House.

The creation of jobs and incentives for economic reactivation through measures that will favor agriculture and industry by using internal and external resources are among the main points of the plan.

Productive and commercial activities will be carried out freely, and they will be supported by a monetary and financial policy that will give the currency stability and will balance foreign trade.

The document also states that the government will implement a salary policy that will guarantee the purchasing power of basic salaries and an improvement in the standard of living of the working class.

Thus, salary adjustments will be made in accordance with current legal rules and regulations and with an eye to monetary stabilization.

The package of measures also includes the holding down of the Central Bank's net assets to seek an increase within domestic lines of credit in order to promote the real needs of economic growth and to avoid creating more inflationary pressure.

In order to implement the project, the economic team recommended that the foreign debt be renegotiated through the IMF and the Paris Club. It is believed that the negotiations with the latter will conclude in September 1990.

The program also provides for the modernization of the tax system with a considerable reduction of taxes and for the privatization of state enterprises, including the Paraguayan Alcohol Administration.

After the meeting, the following officials talked with the press: Washington Ashwell, chief of the Technical Planning Secretariat; Antonio Zuccolillo, industry and commerce minister; Enzo Debarnardi, finance minister; and Crispiniano Sandoval, Central Bank president.

The officials agreed that the implementation of these projects does not have the intention of paralyzing public works, but of promoting the creation and strengthening of new work sources.

They also indicated that neither the government nor the economic team has received requests for increasing the price of public services and that the heart of the problem is to combat inflation.

Regarding the creation of new work sources, they indicated that capital investment is expected to permit some 30,000 persons to get fixed jobs within the next few months.

Decrees Create Economic Team, Ministerial Post

PY0806015290 Asuncion ABC COLOR in Spanish 7 Jun 90 p 14

[Text] The executive branch has issued a decree granting ministerial status to Technical Planning Secretariat (STP) head Washington Ashwell, who will thus become the executive coordinator of the National Economic Team [Equipo Economico Nacional—EEN]. Through another decree the executive branch has granted the EEN status as a presidential advisory organ.

Decree 6020 expands the scope of the terms of Article 30 of the Regulations for Services Granted to the Presidency, which were approved by Decree 4000 on 9 June 1944. Decree 6020 "grants the honors and rights of a minister to the executive secretary of the Technical Secretariat of Economic and Social Development Planning."

Decree 6020 was issued on the basis of the powers that Decree 6019—which was also issued yesterday—bestows upon the executive secretary of the STP, who will be the executive coordinator of the EEN and will preside over its meetings.

With the rank of minister of the executive branch, STP Secretary Dr. Washington Ashwell will call meetings of the EEN, act as chairman, and coordinate actions that have been approved by the executive branch.

Yesterday the executive branch also promulgated Decree 6019, which creates the EEN to advise the president on economic matters and to coordinate the government's economic policy. This body will oversee comprehensive and sectoral programs for the country's social and economic development; public investment programs; the formulation of the nation's general budget; projects for which the executive branch will have to propose or sanction economic and financial measures; and other programs.

The EEN will be made up of the finance minister, the agriculture minister, the industry and commerce minister, the Central Bank president, and the STP executive secretary.

The head of the STP will be the EEN executive director. He will submit for the president's consideration the decisions and recommendations of the EEN, disseminate them to other government agencies, and monitor compliance.

Peru

Defense Minister on Election Security, Attacks

PY0806034590 Lima Television Peruana in Spanish 0100 GMT 8 Jun 90

[Impromptu news conference by Defense Minister General Julio Velasquez Giaccarini with unidentified reporters after a ceremony commemorating the Battle of Arica in Lima on 8 June—recorded]

[Text] [Velasquez] Security measures for the second round of voting have been adopted under the same circumstances as the previous elections. We are certainly applying the same zeal and dedication to guarantee the Peruvian people's right to vote, as established by the Constitution.

[Reporter] [passage indistinct] (?What do you think) of the terrorist attacks over the past two days?

[Velasquez] These attacks are a reaction to what we did to them. When the enemy suffers a blow as harsh as the one it has received, it is natural that it should react, right?

[Question indistinct]

[Velasquez] Of course we adopted all the measures that were possible. You know that the enemy's techniques

and procedures are based mainly on the surprise factor and on the difficulty in identifying them. Despite all this, all our bases, organization members, and even the population in general have been placed on alert; we expected a reaction of this kind, which, as you know, is nothing but a logical reaction. The characteristics of these actions are surprise and terror; they are meant to cause great psychological impact.

[Reporter] [passage indistinct] is it true that the Armed Forces would not be pleased if Fujimori won the elections?

[Velasquez] To what television station do you belong, to (?RBC) right? I am surprised that you, a professional journalist, would ask me that. You know that the Armed Forces, as I have said repeatedly, will fully respect the principles and norms of our Constitution. The Armed Forces will simply respect the people's decision and the legal norms. There will also be people who will want to make it seem as if the opposite were true, but I assure you that this is not so.

[Reporter] [passage indistinct] what could [word indistinct] do now that this government term is about to end, regarding the antisubversive struggle?

[Velasquez] As I said before, I think that it will take some time to make such an evaluation. But I can tell you in general that there have been two main factors demonstrating such a development. First, the military's antisubversive activities, carried out by the Armed Forces and the national police, have inflicted serious damage on the enemy. Second, regarding the subversive activities, everyone knows that the terrorists have problems, including ideological problems over which their leaders disagree. The intelligence service has taken this whole situation into consideration. We do not want to exaggerate, but we cannot say that this is over, that no more attacks will be committed, or that there will be no more terrorism. We do believe that we are on the right path.

As I just said in my speech, we believe that this is a struggle that should involve the whole country, civilians and military, and I believe that the people are beginning to understand this. They are cooperating effectively with the forces of order to maintain internal security.

I guess the new government that will assume power in July will probably follow this same line. Perhaps it will increase antisubversive activities. I think it will help the Peruvian people get rid of this scourge, which causes us so much harm, once and for all.

Communique Issued on Clash With Subversives

PY0606180490 Lima EXPRESO in Spanish 2 Jun 90 p 16

[Text] Through the following official communique, No. 042/90/OCOSMIN, the Interior Ministry last night reported that National Police patrols were involved in successive clashes with subversive criminals in remote jungle areas in the country, managing to detain 20 terrorists and seize arms and explosives.

Official Communique No. 042/90/OCOSMIN

The Interior Ministry hereby informs the public of the following:

1. After receiving intelligence information at 1430 on 30 May 1990 that a group of subversive criminals were near the towns of Rio Uchiza, Pacota, and Puerto Huicte a decision was made to send two National Police patrols [to that area].

2. One of the patrols was involved in a clash with a group of subversive criminals near the hamlet of Pacota, detaining 17 criminals and seizing the following arms and explosives:

-15 Api-brand rifle grenades

-13 FN-brand anti-tank rifle grenades

-2 Instalaza-brand rifle grenades

-2,197 7.62 mm x 51 cartridges

-5,000 7.62 mm x 39 cartridges

-1,336 nine-mm Parabellum cartridges

-10 kg of gelignite-type explosives

-180 fuses to detonate explosives

-1 automatic FAL [Light Automatic Rifle] rifle

3. A few hours later, another police patrol was involved in a clash with subversive criminals in the same hamlet of Pacota, managing to make the criminals flee. No casualties were reported.

4. At 1050 on 31 May, a National Police patrol, supported by three helicopters, raided the hamlets of Puerto Megote and Puerto Viejo in the Alto Huallaga Valley. The patrol was involved in a 30-minute clash with a group of subversive criminals. The patrol captured three criminals and seized the following material:

-500 7.62 mm cartridges

-abundant subversive propaganda.

Lima, 1 June 1990
Interior Ministry Social Communication Office

Vargas Llosa Reportedly Evaded Taxes

PY0606165290 Lima Television Peruana in Spanish 1100 GMT 6 Jun 90

[Text] [Broadcast in progress] ...deputies, Luis Alberto Salgado, who announced that Mario Vargas Llosa had evaded taxes, has warned that if the Democratic Front

[FREDEMO] presidential candidate does not pay the amount he owes to the tax office, 534 million intis, his assets will be attached.

[Begin recording] [Salgado] First, I want to remind you that on 29 January 1990 I approached the tax office to file a writ, asking for a regular inspection proceeding of Mario Vargas Llosa for alleged tax evasion.

I can now publicly say that the aforementioned report was not of a political nature as interpreted by some people. It was neither irrelevant nor groundless. It actually was a report of an administrative nature that has been supported by the tax office.

Mr. Mario Vargas Llosa has evaded taxes. In its initial resolution, the tax office has urged him to pay more than 530 million intis. This is an extremely grave circumstance regarding Mr. Mario Vargas Llosa's legal situation.

There was no underhandedness here. In the true sense of the word, this is a political problem because it is appropriate for Peru to know that the man who aspires, or aspired, to become president of the Republic is indeed a tax evader.

[Reporter] What would happen if Mr. Mario Vargas Llosa should not pay his taxes?

[Salgado] Well, this already is a proceeding involving the tax office, an internal proceeding. He has about three days time. A petition to attach his assets is even possible. Of course, with the millions that Dr. Vargas Llosa has, he will have to pay a fine and surcharges.

However, I believe it is far more important here to know that indeed one of the wealthiest men in our country has never paid a cent to the poor Peruvian state, that is, the poor Peruvian people. This is the man who aspired to become the president of the nation.

[Reporter] Isn't this a circumstantial report at this political moment?

[Salgado] Definitely not. Mr. Vargas Llosa represents the dominant, exploitive sectors in our country. These sectors have dominated this nation for 150 years. They are responsible for the country's structural, historical, and present crisis. They conducted economic sabotage. They have taken out $3.5 billion. They have produced a poor state.

Therefore, the Peruvian people must defend themselves here. The Peruvian people must know that the failures and shortcomings in education, health, housing and food come from a dominant, exploitive class that was callous to the people's sufferings and needs. The best expression, the best evidence, of this is that indeed Mr. Mario Vargas Llosa, who represents the right-wing front, including the old right-wing parties, Popular Action and the PC [Popular Christian Party], has not paid a cent in taxes in the past five years.

Therefore, this is the plain truth and nothing but the truth. And the people are already evaluating it. [end recording]

* Protests, 'Radicalization' in Huaraz Reported

90SM0079A Lima EL NACIONAL in Spanish 25 Apr 90 pp 14-15

[Article by special correspondents Antonio Acosta Osorio and Roberto Bernal]

[Text] Huaraz—Tired of the daily injustices to which they are subjected; determined to demand respect for their rights and to live in an atmosphere of peace; and with the last drought, forced to the brink of collapse, thousands of settlers in Huaraz are ready for struggle, and their protests are threatening to become more radical as the government authorities refuse to heed the proclamation of their needs.

The disinformation in the leading newspapers has discouraged them. Tourism has declined perceptibly.

Huaraz, a notable city which is the birthplace of respected personages and has resources enough to become, if not the principal, one of the principal towns in the country, is now on a "war footing." At least this is the reality at present.

Water

The straw that broke the camel's back was precisely the indiscriminate increase in a basic service—water—in this zone.

The "water tax," as the singular duty imposed by the government is called, affects everyone equally. Those who have service complain about the huge sums of money they must pay. Those who are not provided with this liquid also have their complaints. The protest is unanimous.

Wednesday, 18 April, was the day chosen by the Fronts for Defending the People's Interests (FEDIP) to make their demands public. The water issue was only a pretext. There is no market. The itinerant peddlers exhibit their products on the edges of the sidewalks. The parishioners have to say their prayers in improvised places of worship. There is no rainfall. No one knows any dance which will make the rains come.

The Protest

When on Wednesday, 18 April, thousands of townspeople occupied the center of Huaraz and others were marching through the surrounding areas to join their fellow citizens, the few tourists who dared to circulate in the midst of the popular discontent could not find film enough to record the elaborate, glittering costumes worn by the peasants and the native settlers.

Trinket peddlers, settlers from the rural areas, members of the Catholic community, and residents from the whole of Huaraz gathered at the time and day set.

The provincial council was the target of the protest.

"The last three mayors have had the money in hand to build the model market. To date no one has been able to explain to us how in 3 years, nothing significant has developed," the FEDIP leaders said.

But they also visited the local SENAPA [expansion unknown] office. "A shortage of water is normal in our city. We can understand this problem, one which arises in many cities, but why do they charge us so much?" the citizens of Huaraz demanded.

However, the protest did not get very far. At the end of the day, the answer was the same as always. "Everything depends on Lima. Let us wait a reasonable time. In the final analysis, it is there in the capital that the final decisions are made." These were the answers given by the authorities. The response of the settlers, however, was to wait two weeks, at the end of which the situation could deteriorate.

Jose Gamboa Tello, the engineer who heads the Huaraz Operational Unit of the SENAPA in Huaraz, was unwilling to talk to the crowd which gathered outside his office.

"I have had experience enough to realize that to go out and talk with an inflamed crowd would be suicide. I was here last year when these premises were stoned, and they do not even belong to us," he said to the FEDIP leaders who asked him to come out and explain his point of view to the uncontrollable citizenry.

"But they want to hear what you have to say. That is their desire. They will not leave until they hear from you," the leaders said.

"That is not my problem. After all, it is you who organized this, and I want you to listen to me. The people want a solution to their suffering, but the solution is not in my hands. All we can do is wait," he said in conclusion.

After this exchange, the leaders left the official's office. EL NACIONAL reporters, who were present, took the opportunity to talk with the man who bears the main responsibility for the water service in Huaraz.

[EL NACIONAL] What are the main problems your administration must deal with?

[Gamboa Tello] Our main problem is the lack of enough financing to provide exemplary service. Thus this difficulty cannot be overcome without the help of the SENAPA authorities in the capital.

[EL NACIONAL] But with the water tax in Huaraz, you have been charging a compensatory rate which provides you with vast resources.

[Gamboa Tello] Indeed, and this was a provision which was ordered by the office in Lima. It is a matter of having resources enough not only to improve the distribution of drinking water in our city, but also to have the economic capacity to maintain the infrastructure, which is very costly. We need to purchase chemical reagents, the cost of which has gone up shockingly in recent weeks. We need to purchase connecting joints for the distribution networks and frames for the covers of the canals located almost throughout Huaraz. Lima does not supply us with any of these things. Our autonomy in this regard is practically ruining us, and we do not have enough money.

[EL NACIONAL] And the money you are collecting cannot be invested? Can't you place it with some financial institution so that it will bring you dividends?

[Gamboa Tello] This would be ideal, but we are not allowed to do this. We deposit our funds with the Bank of the Nation, but while it sits in the coffers of the state bank, the money is losing value. If we were to obtain a credit line, we would have to pay interest of 30 percent, and this is simply impossible. We need $4 million to improve and expand the system efficiently. A treatment plant would mean an additional cost of $1.4 million for us. While working with these figures, we can only think of the moment—the moment when we will have resources, so that the people of Huaraz will cease to protest.

[EL NACIONAL] In any case, what likelihood of success do you see for the protest?

[Gamboa Tello] We have only the best desires, but desires do not resolve anything. Our concern has been communicated to Lima, and we are hoping that there, in the capital, they will choose to freeze the rate, which is currently pegged to the consumer price index. This means a monthly increase of about 25 percent.

Markets

One key problem in Huaraz is the lack of a supply market with the capacity to accommodate the retailers who are currently to be found in the streets surrounding the area where such a market should function.

In 1987, the state allocated a plot of land located in block seven on Raimondi Avenue to the itinerant peddlers organized in merchants' associations.

A year later, the president of the Republic, Alan Garcia Perez, turned over 85 billion intis.

It was Jose Sotelo Ibazeta, the mayor of Huaraz at that time, who made a commitment to launch the work, managing the money allocated by the central government.

When the Sotelo Ibazeta administration ended, the situation in the area was almost unchanged, except for the hasty placement of some construction frames, still there for the people of Huaraz to see today.

Pablo Romero Hinostroza took the bull by the horns, but only seemingly. A survey was taken of the merchants in the days preceding the arrival of Mario Vargas Llosa, but this was only a flash in the pan. The work continued at the same level as it had for 3 years, that is to say at the zero point.

Rodolfo Pariasca is the secretary general of the union of retail merchants in Huaraz. The membership he represents is employed in the craft, textile, medicinal herb, and footwear sectors. These are the principal activities in the capital of Ancash.

"We have always demanded immediate construction of our market, but now we are tired of promises. We do not want to be disappointed again. We are therefore demanding that we be provided with a solution within 15 days, at the latest. I believe that we have the right to make this demand," the leader of the merchants explained.

Tourism

Perhaps the activity which has suffered the most in Huaraz recently is tourism. Both domestic and foreign tourists have ceased to visit Huaraz, mainly because of the situation of violence existing in this zone, which is being nurtured by the widespread publicity being given the acts of subversion.

Huaraz Classic Tours is one of the leading tourist agencies in the area. Its owner, Raul Sotomayor, went into this business in order to buy himself an automobile.

"In only 3 years, I achieved success I had never hoped for. However, now all I have been able to build up is back to nothing again. The tourists are not coming, and those who do come avoid trips to zones like Yungay or Conchucos, because they have been told that they are dangerous places. If this situation does not end soon, I will almost certainly have to close down," he told us.

At Lucho's Tours, however, as a result of the lack of tour customers, the owners have chosen to provide passenger transport, to Pativilca and Barranca, in particular.

The owner of the firm, named simply Lucho, told us that this activity brought him more profit than serving as a tourist guide.

"We do not even have a security force to protect us when we guide tourists. I believe that this is necessary. Things are difficult in Huaraz. It is very fine to live here, but the injustice, the distorted reports, are doing us harm. We want this to change," he emphasized.

Police Capture 12 Subversives in Cerro de Pasco

PY0606165590 Lima Television Peruana in Spanish 0100 GMT 6 Jun 90

[Excerpt] Here is an official communique:

The political-military chief of the Junin-Pasco region reports: Today at 1435 police personnel arrested 12 subversives in Cerro de Pasco.

They have been identified as (Sonia Cachuan Rosales), 24 years old, who heads the Shining Path political command in Pasco; Milton Bazan Garcia, 21, who heads the Shining Path military command in Pasco; (Armando Canchaia Romero), 23; Gustavo Perez Cuevas, 20; (Orbar Celestino Carguerita Guere), 24; Andres Espinoza Santos, 19; Silvia Matos Fernandez, 22; Guido Herrera Rodriguez, 24; Alberto Grados Meza, 25; (Denis Espinoza Casimir), 19; Estanislao Garcia Ponce, 18; Irma Polo Jimenez, 25. [passage omitted]

Health State of Emergency in Four Departments

PY0606195490 Lima EL COMERCIO in Spanish 28 May 90 p A1

[Summary] The government has declared a health state of emergency in the cities of the departments of Loreto, San Martin, Ucayali, and Huanuco after confirming the presence in those jurisdictions of the Aedes Aegypti, an insect transmitting several diseases, including dengue fever.

Strong Explosion Reported Near Municipal Building

PY0706152490 Lima Television Peruana in Spanish 1100 GMT 7 Jun 90

[Text] A strong explosion damaged the tax office in the Municipal Building, located in the first block of the Santa Rosa alleyway, mobilizing several policemen. The explosion damaged several partitions of this office and shattered glass. No victims were reported.

The explosion took place while Lima Municipal women workers were asking for direct talks with Lima Mayor Ricardo Belmont, who has refused to meet their demands.

Car Bomb Explodes in Lima Neighborhoods 6 Jun

PY0606192290 Lima Television Peruana in Spanish 1800 GMT 6 Jun 90

[Text] A car bomb exploded a few minutes ago on the edge of Rufino Torrico and (Conde de Superonda) neighborhoods.

A group of demonstrators of the Trade Union Organization of Lima Municipal Workers, who are on strike demanding salary hikes, had passed through the site shortly before the explosion.

Electoral Registry Office in Lima Bombed

PY0706151490 Lima Television Peruana in Spanish 1100 GMT 7 Jun 90

[Text] A few hours after an attack in downtown Lima, subversive individuals supplemented their violent raids by attacking an electoral registry office in Jesus Maria

District, located barely 200 meters from the National Election Board [JNE] offices.

Five armed individuals reportedly were the perpetrators of the attack on this JNE office where the Electoral Registry Office of Jesus Maria District and the JNE Workers Social Security Department operate.

According to an Electoral Registry Office employee, who is not shown by the camera for security reasons, the individuals entered the office, told the employees that the attack did not concern them, dislodged them, and then placed an incendiary bomb. Only six employees were inside the Electoral Registry Office since it was after 1700 already.

It is known that an 11-year-old boy, the son of employee Enriqueta Jaramillo, had a facial injury as a result of the strong explosion.

A large group of policemen arrived at the site immediately after the attack. Two companies of firefighters, who did not have much trouble to put the fire out, were also at the site.

Shining Path Attacks Two Lima Bank Branch Offices

PY0606193690 Lima EXPRESO in Spanish
4 Jun 90 p 13

[Text] Two synchronized bombings, carried out by Shining Path subversives, yesterday damaged the branch offices of the Wiese and Interbanc banks in the Villa El Salvador District.

After carrying out the bombings, the subversives displayed Shining Path banners nearby and hailed their organization while another group broadcasted a five-minute cassette, promoting violence, over Radio Imperial of Villa El Salvador District after locking up the employees in a room.

In a lightning operation, the police captured six individuals who were reportedly involved in the attacks. These individuals are being held at the Villa El Salvador police precinct and their identities are kept secret.

The attacks in Villa El Salvador District were synchronized with another demonstration by a Shining Path group in the Bocanegra property in front of the Jorge Chavez International Airport. After shouting subversive slogans, the Shining Path defiantly placed banners and fliers on the windows and doors of private houses.

A large Shining Path banner with a hidden explosive device was found in the area. The demonstrators fled in view of the expressions of panic and rejection of the Bocanegra property dwellers.

Shining Path Terrorists Kill Five People

PY0706153290 Buenos Aires DYN in Spanish
0140 GMT 7 Jun 90

[Excerpt] Lima, 6 Jun (AFP)—[passage omitted] Concerning the murders in the interior of the country, it has been reported that on 5 June a terrorist killed the Libertadores region deputy-elect Juan Espinoza Mendoza in Huancavelica, 480 km from Lima, in the Central Andean mountains. Espinoza, who was shot in the head, belonged to the ruling American Popular Revolutionary Alliance party.

Alberto Pumayala, dean of the Lima National Agrarian University, Oscar Torres, Orlando Barreda, and Glicerio Gonzales were shot to death at a ranch of the Nunoa district, in the Andean southeastern sector, in Puno Department. The three were shot in the head while attending a working meeting.

The police arrested tens of suspects during an operation to counteract the terrorists' attempt to frighten the population just four days before the presidential elections scheduled for Sunday, 10 June.

On the night of 5 June a school in Ayacucho that was to be used as a polling station on Sunday was dynamited, the Shining Path's bastion. Nobody was injured.

A police chief said that "in view of information on their internal disagreements the Shining Path terrorists are reportedly trying to make know that they have not suspended their actions."

The National Police Antisubversive Brigade has reported that an alleged Shining Path military chief, who has not been identified, was arrested in Lima.

In the past few hours the police have also arrested 12 Shining Path leaders in Cerro de Pasco, in the central sector of the Andean mountain range. It has been reported that 200 boxes of dynamite and hundreds of meters of safety fuse were seized.

On 4 June, 35 members of the Lima Shining Path committee were arrested following a raid on their central headquarters in the eastern sector of the capital. President Alan Garcia regarded this action as "the most important blow to the subversion."

Terrorists Dynamite Bridge in Casapalca

PY0606193290 Lima Television Peruana in Spanish
1800 GMT 6 Jun 90

[Text] Early this morning terrorists dynamited a bridge near the km-110 marker on the Central Highway in Casapalca, partly destroying it. Another 15-kg dynamite charge had been placed under the bridge, but it was defused by the National Police bomb squad (EDEX).

Fourteen Terrorist Attacks Reported on 1 June

PY0606195490 Lima EL COMERCIO in Spanish 3 Jun 90 p A12

[Excerpt] Terrorists perpetrated 14 attacks with dynamite and fire arms on the night of 1 June against the offices of the American Popular Revolutionary Alliance [APRA] party, the FREDEMO [Democratic Front], and the Change 90 movement. The shrapnel of the bombs and the shotgun blasts killed one person and injured 10 others. General Police personnel, who took inmediate action, arrested several suspects who were placed at the disposal of the Technical Police Antiterrorist Directorate. The APRA auditorium was the most seriously damaged by the explosives hurled by the subversives. A reliable police source said that some 50 Shining Path terrorists, including attack, defense, and support squads, carried out these synchronized subversive actions.

During these insane attacks the terrorists hurled bombs and fired their weapons in all directions without regard of minors and adults on the streets.

The synchronized terrorist attacks began at 2100 when unknown individuals threw bombs at the Change 90 movement office at Lot 3, Block I, Los Chancas District, Block I, Lot 3, of the Andahuaylas (El Agustino) Cooperative Building. The explosion caused damage.

The terrorists hurled bombs on the FREDEMO office at 365 Floral Avenue in Yerbateros District 10 minutes later.

At 2115 they threw several bombs at the Liberty Movement office on the Block 1 of Los Mochicas street, in El Agustino District. Several bombs were simultaneously detonated at the Change 90 movement office in Sector 3, Group 1 of Villa El Salvador District. The Liberty Movement office at Block 13 of Saenz Pena Avenue, in El Callao District, was also attacked at 2115.

At the same time, the Change 90 office on Block 14 of the Saenz Pena Avenue (Callao) was dynamited. The explosion damaged a car with license plate EQ-5891 and another one with license plate BG-9221 owned by El Callao deputy-elect Victoria Paredes. Two people were injured in this attack.

At 2120, the terrorists bombed the FREDEMO office at Block 19 of the Proceres de la Independencia Avenue, in La Huayrona (Canto Grande) District. A car with license plate CQ-9373 was damage in this attack.

At 2130 the terrorists hurled explosives on the FREDEMO office in the shantytown Tupac Amaru in the Villa Chorrillos District.

Bombs were hurled 15 minutes later on the Change 90 offices on the San Pablo Avenue, (La Victoria) district; on Block 12 of the Pachacutec Avenue, (San Juan de Miraflores) District, and on the Raul Porras Barrenechea street, (Villa Maria del Triunfo) District.

A similar attack was perpetrated on the FREDEMO office on Juan Exito street, at Ate-Vitarte District.

The APRA auditorium on Alfonso Ugarte Avenue was bombed at 2200 causing heavy damage. The explosion caused the ceiling to collapse, and the iron door, chairs, and folders were destroyed. At the same time 20 terrorists bombed the small tank TQ-187 belonging to the 24th General Police station. The tank was parked at the intersection of the Ramon Castilla (former Union) Square and La Oroya District.

One of the bombs, an "Instalaza" rocket, first exploded against the door of the "Cromo Hogar" firm causing quite a huge hole, and then against a wall of the "Discos Vidal" store. One person died and seven were injured in this attack. [passage omitted]

Venezuela

Governor, Defense Minister Deny Coup Rumors

PA0706151290 Hamburg DPA in Spanish 1426 GMT 7 Jun 90

[Text] Caracas, 7 Jun (DPA)—A renowned opposition leader has warned about the possibility of a coup d'etat in Venezuela, while security forces have occupied several cities of the country following a wave of violent protests against the fuel price hike.

Osvaldo Alvarez Paz, governor of the important state (province) of Zulia in the western part of the country, and leader of the opposition Social Christian Party, COPEI, noted in statements carried today by the local papers that there are conditions for the armed forces to step in.

According to Alvarez Paz, "for any political analyst who knows Venezuela's history, it is evident that all the seeds have been sown in the country for an institutional tragedy."

Several Venezuelan cities were shaken by violent protests yesterday against the fuel price hike implemented by President Carlos Andres Perez' government. An increase in the price of fuel unleashed in late February 1989 a wave of protests and looting, which resulted in an official toll of 300 dead, although unofficially the figure was more than 1,000 victims.

Yesterday, security forces occupied the city of Los Teques, 20 km from Caracas, where a high school student demonstration against the fuel price hike and bus fare increase unleashed a confrontation with the security forces, resulting in 20 injured.

There were also clashes between demonstrators and policemen in the cities of Cua, Guarenas, Maracaibo, Porlamar, and Barquisimeto.

A protest march was called by student and bus driver unions in Caracas today.

Defense Minister General Filmo Lopez Uzcategui noted that the armed forces are ready to support the National Guard and the police. However, he denied rumors of a military coup.

Alvarez Paz, however, said that "the more such possibilities are denied, the more it appears as if the intent exists." However, the governor dismissed the possibility of imminent military intervention.

Tension Prevails

PA0706151690 Paris AFP in Spanish 1432 GMT 7 Jun 90

[Text] Caracas, 7 Jun (AFP)—AFP has observed that strong tension prevails in Caracas today as demonstrations are expected this morning following seven days of clashes among the police, students, and the residents of severals cities to protest a probable hike in the price of gasoline.

The Central University of Venezuela students have announced a demonstration in downtown Caracas where public employees are also expected to demonstrate.

Since early this morning, the police took up positions in key points of Caracas, while policemen in jeeps and on motorcycles are patrolling the main streets. Most of the schools sent their students home while many shops decided not to open for business. Many housewives were busy shopping in the markets, stocking up on groceries in the event of disturbances.

New Disorders in Caracas

PA0706155190 Madrid EFE in Spanish 2025 GMT 6 Jun 90

[Text] Caracas, 6 Jun (EFE)—Police sources have confirmed that residents of poor Caracas neighborhoods today have again protested against increases in the price of transportation, gasoline, basic staples, and water. Disorders broke out in Caricuo and Macarao, in the western area of the Venezuelan capital, during a student march when youths and hooded individuals set tires afire and hurled stones at stores. The police intervened to control the demonstrators, as has been the case for the past eight days in Caracas, where several neighborhoods have been the site of disturbances.

It was unofficially reported that the police and demonstrators, who are protesting against Venezuelan Government plans to increase the price of transportation and gasoline, have also clashed in Barquisimeto and Los Teques, in northwestern Caracas.

Tension seems to be on the rise in Caracas and other cities nationwide in the face of constant disturbances, which left 12 injured on 5 June, including two policemen, that maintain the police and the military on a state of alert.

Price increases and the virtual absence of products such as milk at supermarkets has generated protests from various segments of Venezuelan society. An activity called the March of the Empty Baby Bottles is being organized in countryside communities to protest against the hoarding of this basic infant food.

Disturbances of the past week have taken place in the absence of President Carlos Andres Perez, who is currently on a 2-day visit in Spain.

Perez traveled to Malaysia on 31 May, where he stayed until 4 June, and then visited Italy and now Spain, where he will conclude a tour that has been harshly criticized by the local political media.

Spokesmen for the business sector and political opposition agreed in pointing out that the president should be in the country at a time when it is experiencing difficult political and economic times.

The Pro Venezuela Association, which gathers an important segment of Venezuelan businessmen, sent a letter to Perez to express a common thought reminding him, with due respect, that his place is in the Miraflores Palace (the chief executive's office), where he should be seen looking after the interests of those who elected him without hesitation or respite.

The businessmen add in their letter, which was released today, that Perez must improve his image as a ruler, which has been damaged at this time of confusion and anguish.

Demonstrations Mounting

PA0706162090 Caracas Radio Rumbos Network in Spanish 1550 GMT 7 Jun 90

[Text] Students, politicians, housewives, and local residents are currently heading toward the Bolivar Plaza in Guarenas. In addition to protesting a probable hike in the price of gasoline, they are also protesting the lack of potable water and the terrible public transportation service in their area.

The group is gathering at the Trapichito terminal, and from there they will march toward the plaza. The Federation of Associations of Residents of the Plata District have organized this march.

Meanwhile, the people of Valencia are currently protesting the economic package. Students, associations of residents, workers, public employees, housewives, and community leaders have all joined in this great protest march.

The country is upset about announcements to the effect that there will be an increase in the price of gasoline and that the reduced transportation rates for students will be increased, and about the rising cost of living.

For all of these reasons, there are demonstrations today.

Police, National Guard Act

PA0706182390 Mexico City NOTIMEX in Spanish 1702 GMT 7 Jun 90

[Report by correspondent Silvia Sayago]

[Text] Caracas, 7 Jun (NOTIMEX)—Several demonstrations took place this morning in different parts of Venezuela, particularly in Caracas, to protest the hike in the price of gasoline. Public transportation service has been partially suspended.

While the Metropolitan Police have deployed large numbers of policemen to prevent rioting, the National Guard has taken over the capital of the State of Miranda, Los Teques, 30 km from downtown Caracas.

The most serious clash between students and the police and the Army took place on 6 June in Los Teques. On 1 June, demonstrations and marches began to protest the increase in gasoline prices, the suspension of the half price transportation fare for students, and the high cost of living. The clash in Los Teques left two policemen and one student seriously injured, while several people were arrested. Meanwhile, transportation personnel whose work connects the State of Miranda with the capital began a work stoppage to protest the increase in the price of gasoline.

Since early this morning, Central University students marched with the permission of the authorities to the National Congress in downtown Caracas. It has been reported that five high schools joined the march of university students, while taxi drivers had their own march and about 500 public workers took to the streets demanding greater work benefits.

In addition to these demonstrations, 7,000 laboratory workers of the Social Security Fund went on strike.

In Maracaibo, the second largest city in the country, the marches and protests continued. Seven students were arrested, while Governor Oswaldo Alvarez Paz said that "all the conditions for a coup are now present in Venezuela."

Demonstrations also took place on the Island of Margarita, Venezuela's main resort, and in Barquisimeto, Maracay, Cumana, and Valencia.

Various governors have ordered the suspension of classes in junior and high schools. Great anxiety and uncertainty is reported among the people, who rushed to make last minute purchases. Movement in the streets was slow and many stores have remained closed.

Policemen Wounded

PA0706222890 Caracas Radio Rumbos Network in Spanish 2105 GMT 7 Jun 90

[Text] Urgent, last minute news: Metropolitan policemen have been wounded in the Caracas disturbances. This information was given by Metropolitan Police Chief General Gonzalo Bajares Colmenares at a news conference. He also said that six minors were detained after they wore hoods to attack the police. Bajares said that these cases will be turned over to the minors' prosecutors office. He also said that gasoline tanks and Molotov cocktails have been confiscated from the students in the antiriot operation.

I call on all parents to exert greater control over their children. The youths should be told of the dangers they face when they take part in violent demonstrations, Gen. Bajares stated. Many people take advantage of student demonstrations to commit acts of vandalism by mixing with the students and even attacking teachers and policemen, the Metropolitan Police commander said.

Students Demonstrate 'Peacefully'

PA0706234490 Caracas Radio Rumbos Network in Spanish 2140 GMT 7 Jun 90

[Text] Students and government workers, each on their own, peacefully demonstrated today in Caracas. Students were protesting the government-proposed bus fare bond, while public employees were demanding reforms to Article 8 of the Labor Code, which excludes these particular workers.

The march that had been called for by FEDE-UNEP [National Single Federation of Public Employees] arrived at the National Congress from different meeting places such as parks, Plaza Caracas, and Ciudad Bolivar. The workers handed the Chamber of Deputies president a letter demanding that Labor Code Article 8, which is now under discussion, be reformed.

The students, for their part, met at the rector's park at the Central University of Venezuela, where they began their march that led them to the National Congress to demand that the student half fare be maintained and that the government refrain from applying the transport bond through the food subsidy program. As the students marched by, stores closed their doors, but there were no problems along the route. The students carried posters and used spray cans to paint slogans on the walls as they marched by.

Meanwhile, the announced partial transportation stoppage took place in the entire southwestern part of the city. Since 0900, the buses and minibuses that normally run between Coche, Santa Monica, El Valle, Los Yaguaramos, and the cemetery came to a complete halt in solidarity with the students' demand.

Things apparently were not very peaceful at the Juan Jose Abreau and Vicente [words indistinct] High Schools at Guatire where student protests had to be controlled with tear gas and birdshot. At Guarenas, the demonstration called for 0700 was suspended until further notice because the authorities denied the required permit.

At Los Teques the situation was completely normal. The city is under military occupation and all schools remain closed.

Seeds for Coup Planted

PA0806002890 Paris AFP in Spanish 2040 GMT 7 Jun 90

[Text] Caracas, 7 Jun (AFP)—In remarks published by the local newspapers today, Oswaldo Alvarez Paz, governor of the State of Zulia, said in Maracaibo, a city located 700 km west of Caracas, that "all of the seeds for a coup have been planted" in Venezuela.

Referring to the current tension throughout the country, Alvarez reported that this was one of the subjects discussed at the summit of governors of the opposition Social Christian Party held in Caracas recently.

In addition, Pablo Medina, deputy of the radical leftist party Causa R for the State of Guayana, asserted that the disturbances provoked by the announcement of a coming gasoline price hike are part of a "deliberate plan" by President Carlos Andres Perez. Perez wants "to set the country on fire to justify, both at home and abroad, the imposition of a constitutional dictatorship," Medina said.

The Venezuelan president "wants to pull a hood down over the country because he needs the country to be agitated and desperate so he can trample on its constitutional rights and become a ruler with full powers," he added.

Medina also said: "The economic shock policy that the president intends to establish requires a political shock. The application of a neoliberal economic package requires the existence of a tough, cruel government."

Disturbances Leave 3 Injured

PA0806013490 Madrid EFE in Spanish 0033 GMT 8 Jun 90

[Text] Caracas, 7 Jun (EFE)—At least three people were injured and 20 others arrested today in the Venezuelan capital in a new wave of protests over price increases.

Acting Interior Minister Nerio Rauseo reported that 20 protesters were arrested. He described the incidents which took place today and over the past few days in Caracas and other cities as small outbreaks of violence.

Rauseo said that the National Guard intervened at times in support of the Metropolitan Police riot troops. He denied that the Army had been involved in restoring public order.

Rene Cedillo, a member of the Federation of University Centers, said that the police shot two students, one in the arm and the other in the leg, and wounded another in the buttocks with birdshot.

Minister Says Situation 'Normal'

PA0806015390 Caracas Venezolana de Television Canal 8 in Spanish 0007 GMT 8 Jun 90

[Text] The Council of Ministers heard a detailed report today on the situation throughout the country following some small outbreaks of unrest in several cities in the country.

[Begin recording Acting Interior Minister Nerio Rauseo] The situation is completely normal expect for some small outbreaks of unrest and disruption of public order at some schools. The outbreaks of unrest are only being supported by a small group of individuals. Therefore, the people must not believe the rumors they hear, and they must know that the situation throughout the country is normal except for these small points of unrest at some schools. [end recording]

The Council of Ministers, presided over by Alejandro Izaguirre, also approved the disbursement of an additional 900 million bolivars to cover the transportation bonus.

Riots Spread, Army 'Ready'

PA0806034490 Paris AFP in Spanish 0151 GMT 8 Jun 90

[Text] Caracas, 7 Jun (AFP)—At least 15 students and policemen were injured in Venezuela today, Thursday, when violent riots against a possible increase in the price of gasoline spread to 13 cities, according to reports received by AFP.

In the eighth consecutive day of violent street demonstrations, the disorders increased in Caracas, Maracaibo, Merida, Porlamar, Coro, Maturin, Barquisimeto, Barinas, Maracay, La Victoria, Villa de Cura, Valencia, and Ciudad Bolivar.

Early in the morning, secondary school students of Caracas and its suburbs participated in violent riots in which at least six youths were detained, according to the metropolitan police, while students of the Central University of Venezuela [UCV], located in Caracas, staged a peaceful demonstration.

After the march, the university students clashed with the police at the UCV for three hours. As a result, four students were injured—three by rifle fire and one by birdshot—and 20 others were detained, leaders of the Federation of the UCV's University Centers [FCU] reported later.

The university students stopped and plundered a soft drink truck and kept the bottles to use them eventually in later clashes, witnesses said.

FCU leaders said that the University of Zulia (Luz) of Maracaibo, 600 km west from Caracas, was raided by the police, who reportedly destroyed five university-owned buses. At least two policemen were injured and 26

students were detained in the disturbances. The authorities suspended classes in the schools near Luz, the local news agency INNAC reported.

In Merida, in the Andes, 600 km southeast from Caracas, hooded individuals set a telephone corporation truck afire, while in Porlamar, the tourist island of Margarita in the Caribbean, several shops were looted and damaged and classes were suspended, INNAC said.

In Coro, 300 km northhwest of Caracas, a young girl was injured and classes suspended after secondary school students hurled rocks against several shops. No detentions were reported.

In Barquisimeto, 300 km to the southwest, at least five students were injured and several patients in the city's central hospital were asphyxiated after police fired tear gas into this medical center where dozens of students had sought refuge.

Students tried to hold the authorities of the Barquisimeto Pedagogical Institute hostage and announced that the protests will continue "until the government gives up the idea of raising the price of gasoline."

In Barinas, on the plains 400 km west, students of the Industrial Technical School and two other schools set tires on fire and hurled rocks against several commercial installations, INNAC reported.

In Villa de Cura, a town 80 km south of Caracas, four policemen were injured by rocks thrown by students, who also attacked the mayor's office, the prefecture, and the police command post, the news agency stated.

In Maracay, Maturin, and La Victoria, mid- and high-level students marched peacefully against the gasoline price increase.

Defense Minister Fimo Lopez confirmed in Caracas today that the Armed Forces "are ready to repel the riots" when "ordered to." Lopez also said the Armed Forces are "an apolitical institution whose mission it is to preserve democratic order in the country."

The raising of the gasoline price to twice its former level—the first measure in the economic plan signed with the IMF—set off on 27 February 1989 a wave of looting and street violence, which was repressed but with 276 deaths resulting.

Carlos Andres Perez, the Social Democratic president, said in Madrid today that his government will enforce the gasoline price increase, one of the commitments made in the letter of intent signed with the IMF on 28 February 1989.

U.S. Vessel Carrying Weapons, Ammunition Seized

PA0706135590 Paris AFP in Spanish 1312 GMT 7 Jun 90

[Text] Maracaibo, Venezuela, 7 Jun (AFP)—The authorities confirmed today that a U.S. vessel manned by a San Diego police captain was captured by the Venezuelan Coast Guard on 6 June near Maracaibo, 600 km west of Caracas. The ship was carrying weapons and 5,000 rounds of .22-caliber ammunition.

The crew of the ship—a 40 meter tugboat-type vessel identified as Mike and with registration number WUY-7033—consisted only of the police officer, Douglas Paxthon, and Elizabeth McGraw, also a U.S. citizen, who, according to the authorities, has a police record.

The two crewmen said that they were heading for the Netherlands' island of Curacao when they got lost because of bad weather. They ended up off the waters of the Colombian Guajira and later in Venezuelan waters.

The tugboat was captured as it was entering the Gulf of Venezuela, after failing to heed an order from the port captain of San Carlos Island to identify itself. San Carlos Island is at the mouth of Lake Maracaibo.

At the request of national authorities, the U.S. vice consul to Maracaibo witnessed the tugboat's inspection.

Reportage on President Andres Perez Visit to Spain

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For Madrid reportage on the visit by President Carlos Andres Perez to Spain, please see the Spain section of the 7 June West Europe DAILY REPORT and subsequent issues.